



Daily Report

Central Eurasia

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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U.S. Nuclear Test Plan Received "With Interest"

President Bush's announced policy change on nuclear testing has been "received with interest," a Foreign Ministry official told a press conference reported by Moscow radio. Russia is "prepared immediately to begin working out an international agreement on the total halting of all nuclear tests with the participation of all states," and "proposes that the U.S. Administration should resume bilateral negotiations step-by-step," he continued.

Dagomys Accord Being Implemented

"The first stage of settling the Ossetian-Georgian conflict in accordance with the Dagomys agreement between Russia's President Boris Yeltsin and Georgia's State Council Chairman Eduard Shevardnadze has been completed in full," according to Sergey Shoygu, cochairman of the mixed control commission on Russia's side, ITAR-TASS reports, adding: "The second stage of the peace-making mission is beginning."

Yeltsin Not To Submit Own Constitution

ITAR-TASS reports that President Yeltsin "will not submit his own variant" of the constitution when he chairs a meeting of the Constitutional Commission on 29 July. Instead, he will "offer several amendments to the draft approved by the latest Congress of People's Deputies."

Delegations Agree on Black Sea Fleet Issues

A meeting was held in Sevastopol on 23 July between Black Sea Fleet delegation leaders Vasiliy Durdinets, first deputy chairman of the Ukrainian Supreme Soviet, and Yuriy Yarov, deputy chairman of the Russian Supreme Soviet, at which "agreements on a number of issues" were reached, including "setting up a parliamentary commission to supervise observance of the Dagomys agreements."

Lithuania Elects New Cabinet to Plenary Session

Vilnius Radio reports that during the proceedings at the Supreme Council session in Vilnius, newly elected Prime Minister Aleksandras Abisala presented the names of candidates for the new cabinet. He then asked the deputies "to vote for the full list of candidates and not take a vote on each of them individually." Following a question period which considered only new candidates, the session chairman announced that by a vote of 70-2, with eight abstentions, the appointments of 15 ministers were approved.

U.S. Nuclear Test Move Received 'With Interest'

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in Russian 1530 GMT 22 Jul 92

[Text] In the Russian Federation Foreign Ministry press center today there was a briefing on current problems of international policy. Over to our correspondent Aleksandr Kuzin.

[Kuzin] Georgiy Kunadze, Russian deputy foreign minister, addressed Soviet and foreign journalists. The Russian diplomat said that at the meetings of the group working on drafting a peace treaty between Russia and Japan, the positions of the sides had on the whole been determined. The only problem remaining unresolved was the territorial one, about the ownership of the southern Kurils.

The diplomat stressed that neither the Foreign Ministry nor the Russian Government were holding any secret talks on this question. As far as the forthcoming visit by Boris Yeltsin to Japan is concerned, Georgiy Kunadze said:

[Begin Kunadze recording] While both Japan and Russia regard the president's forthcoming visit to Tokyo as extremely important, we do not consider that this visit will mark the end of the process of Russian-Japanese talks on a peace treaty. We do not consider that this visit is the last contact we will have with Japan. Russia can sign a peace treaty only within the framework of the existing accords, only within the framework of the legal, political, and politico-psychological realities which exist at the present time.

At the same time, it is clear that Russia's foreign policy as a whole, and its policy toward Japan, should not be an object of totally improper criticism, and I would like very much to say that Russia's policy toward Japan should not be the object of very acute internal struggle; that is, a struggle in which what is important is not the essence of a particular issue but the attempt by certain forces of our internal opposition to make use of everything possible and, in a number of cases—the impermissible—to criticize the president, the government, and the Foreign Ministry. [end recording]

At the same briefing today Aleksandr Rozanov, chief of a directorate of the department of information and the press of the Russian Federation Foreign Ministry, said that President George Bush's decision to change the policy in the sphere of nuclear tests had been received with interest in Russia.

Rozanov stressed that the Russian Federation was prepared immediately to begin working out an international agreement on the total halting of all nuclear tests with the participation of all states, and on a practical level proposes that the U.S. Administration should resume bilateral negotiations step-by-step.

Russia Urged Not To Ratify Arms Cut Accord

924P0144A Moscow PRAVDA in Russian
21 Jul 92 p 7

[Article by Air Force Major General (Retired) Boris Surikov, candidate of technical sciences: "Opinion: Disarm. But Intelligently"]

[Text] Boris Surikov is a retired Air Force major general and a candidate of economic sciences. During the Patriotic War he was a night bombing commander. At the beginning of the 1970's he participated in the Soviet-American SALT-I negotiations as an adviser to the Soviet delegation. From 1976 through 1982 he worked as an expert for the Committee on Disarmament in Geneva. He is the author of a number of works on problems of antiaircraft and antimissile defense.

During the meeting between B.N. Yeltsin and G. Bush on 17 June of this year in Washington, a framework agreement on deep cuts in Russian and U.S. strategic offensive weapons was signed.

For an objective analysis of the agreement's essence it is well to recall what the USSR and the United States had at their disposal at the time of the signing of the START Treaty on 31 July 1991 when Moscow and Washington exchanged official information.

Included in our strategic ground-based potential were 1,398 intercontinental ballistic missiles, of which 321 are mobile. Today there are eight types of ICBM's in the arsenal of the CIS. We have three types of single-warhead missiles—the RS-10, RS-12, and RS-12M—and five types of ICBM's with individually targetable warheads. The most powerful missiles—such as the RS-20 (SS-18) and RS-22 (SS-24) with launching distances of 11,000 and 10,000 kilometers, respectively—carry 10 warheads each. A total of 6,212 warheads have been deployed for ground-based ICBM's.

The Navy has strategic nuclear arms as well. It has deployed 940 ballistic missiles with 2,804 nuclear warheads on 62 nuclear-powered ballistic-missile submarines (SSBN's). We have 38 SSBN's of seven classes assigned to bases of the Northern Fleet and 24 SSBN's assigned to bases of the Pacific Ocean Fleet.

We have a large number of submarines of the "Muren" class. There are 18 of them and each is equipped with 12 launching devices for missiles with a striking range of 9,100 kilometers. But our most powerful missile-armed crafts are considered to be the SSBN's of the Tayfun and Delfin type. The six Tayfuns in the formation, each with 20 launchers, carry 1,200 charges. Seven Delfins can deliver 448 warheads to their targets, just as the Tayfun can, at a distance of 8,300 kilometers.

Our long-range aviation is now armed with 162 heavy subsonic bombers and also a small number of modern supersonic ones such as the TU-160, and 99 heavy bombers are equipped with air-to-surface cruise missiles.

In 1991 the USSR had a total of 2,500 strategic delivery vehicles on which there were 10,271 nuclear warheads.

The United States has deployed 1,000 ground-based ICBM's, including 50 MX missiles, each of which is equipped with 10 warheads. Additionally, they have 450 Minuteman-2 missiles with two warheads each and 500 Minuteman-3 missiles with three warheads each. This is a total of 2,450 warheads. **It is significant that the Pentagon has the most powerful and invulnerable component of the first-strike weapon—872 sea-based missiles equipped with 5,760 individually targetable warheads (54.5 percent of the strategic potential).**

The basis of the U.S. nuclear power are 18 SSBN's of the Trident class, each of which has 24 nuclear missiles with eight individually targetable warheads. U.S. strategic aircraft include 574 heavy bombers, more than 160 of which are adapted for combat use of air-to-surface nuclear cruise missiles. There are 2,353 nuclear charges on them.

Washington has a total of 2,222 delivery vehicles and 10,371 nuclear charges for them.

Such is the alignment of forces today.

There is no doubt that the desire of the parties for a radical reduction of weapons of mass destruction, and above all strategic offensive weapons, deserves all kinds of support.

It is well to recall here that according to the "McNamara criterion" from the former U.S. secretary of defense under the Kennedy administration, it was thought that the USSR and the United States could not use more than 400 strategic charges of a megaton capacity in a nuclear war since there would not be any point in a further exchange of nuclear missile strikes because of the irreplaceable losses of people and the complete destruction of the material base of each participant in the combat actions.

Fortunately for mankind, the "McNamara criterion" was not tested in practice even during the days of the Caribbean crisis of 1962. But today this criterion has been exceeded no less than 10-fold. Models show that even in a limited nuclear war it would be enough for the warring sides to exchange a few dozen nuclear strikes, which would lead to mass death of the population and complete collapse of the warring states.

We would like to believe that all the agreements and treaties signed in Washington in June of this year will contribute to the flourishing of the long-suffering Russia. **But there is no cause to rejoice in the signing of the framework agreement on strategic offensive weapons.** The hasty preparation of this document led to a situation in which the agreement for a radical reduction of strategic offensive weapons was, for political, strategic, and economic reasons, extremely advantageous to the United States, and it greatly encroaches on the interests of Russia and the CIS.

The framework agreement for a radical reduction of strategic offensive weapons between Russia and the United States was preceded by the START Treaty signed in Moscow in July 1991 by M.S. Gorbachev and G. Bush.

It was signed on behalf of the USSR, whose collapse was legally documented five months later—on 21 December 1991—in Alma-Ata, where the formation of the CIS was proclaimed. The basic decisions regarding nuclear weapons were laid out in a special agreement on joint measures regarding nuclear weapons which was signed by the heads of the republics of Belarus, Kazakhstan, Russia, and Ukraine. In the aforementioned document the leaders of the three republics besides Russia where strategic ground-based ICBM's are located agreed to have them moved to the territory of the Russian Federation for subsequent destruction.

A new situation was created, and now Russia's strategic potential could not be considered equal to that of the former Soviet Union. Only 81 percent of the strategic offensive weapons of the former USSR are deployed on the territory of Russia, and 104 heavy missiles are located in Kazakhstan, and they are still being controlled from Moscow. Mobile ICBM's are stationed in Belarus. And 176 silo-based ICBM's and 43 heavy bombers are located in Ukraine, where the government has taken practical steps to nationalize them.

The framework agreement on strategic offensive weapons signed in Washington envisions by the year 2003 a radical reduction of the number of warheads—from 21,000 to 6,000-7,000. In the first stage of the reductions (1993) the United States should have 4,250 nuclear warheads left, and Russia—3,800. There should be 1,200 warheads on ground-based missiles, of which 650 are to be on heavy delivery vehicles and 2,160 on submarine delivery vehicles.

In the second stage of the reductions of nuclear offensive weapons the limit set for Washington is 3,500 warheads, and Moscow—3,000. All ground-based, independently targetable ICBM's are to be destroyed. For sea-based strategic missiles a limit of 1,750 warheads has been set. Thus the United States has imposed extremely disadvantageous conditions on Russia.

Washington intends to eliminate its 50 MX missiles which have 10 warheads each, for which Reagan coined the term "peace keepers." We agreed to destroy our 308 ICBM's of the RS-20 type.

The strongest components of the Americans' strategic offensive weapons were and still are sea-based. Our partners in the negotiations are retaining their immense superiority here. Formally the framework agreement on nuclear offensive weapons places the two sides in equal conditions, but in life everything looks different from the way it looks on paper. The Americans are keeping their 18 most powerful submarine delivery vehicles of the Trident type, which are equipped with high-precision strategic first-strike missiles.

As stated above, Russia has only six delivery vehicles of the Tayfun class, which are comparable to the Tridents. The majority of ships of our nuclear submarine fleet are obsolete delivery vehicles which were launched in the 1970's. Moreover, many of our nuclear-powered ballistic-missile submarines are now either at bases or undergoing capital repair. Little more than 20 percent of the nuclear-powered vessels are used for combat alert duty. As we know, our defense plants are experiencing a deep crisis, and it cannot be ruled out that by the end of the century all of the Russian submarine delivery vehicle fleet will be in dry dock and lose its invulnerability.

American strategic aircraft are capable of delivering 2,353 nuclear charges to their target, which is more than 22 percent of all their nuclear potential. Our 162 heavy bombers can hold 855 nuclear warheads, which amounts to 8.3 percent of the overall number.

The Pentagon is continuing to develop its strategic aircraft. The United States is to be armed with 15-20 B-2 "invisible aircraft" built according to the Stealth technology. And our latest heavy bombers, the TU-160, have been left, as we know, in Ukraine and will probably not be returned to Russia at all. Additionally, we have forsworn further production of aircraft of the TU-160 and TU-95 MS type. In other words, Russian long-range aviation will now be left with some aircraft built as early as 1956....

Further. In the framework agreement for some reason they forgot about long-range air- and sea-based cruise missiles equipped with large nuclear warheads with high striking precision. U.S. superiority in these arms systems is generally known.

Taking into account the deviation from the principle of equal security of the parties and the fact that the Russian-American framework agreement on strategic offensive weapons in its present form is not in our interests, this document should not be approved.

One can understand the desire of the president of Russia to rid the world of the gigantic arsenal of weapons of mass destruction, mainly nuclear, as quickly as possible. But Russia does not have the means for large-scale destruction over a period of 10 years of approximately 70 percent of our strategic offensive weapons.

In this connection a way out might be found by solving the problem according to the intermediate version. For this it is well to return to the proposal of the former Soviet Union to transfer part of the strategic forces of the CIS and the United States to a lower level of combat readiness which is mutually monitored. Diplomats and the military have forgotten about this today. Its essence consists in a coordinated number of strategic missiles of two or more parties being kept without nuclear warheads, stored separately from the delivery vehicles. In my opinion, up to 80 percent of the strategic offensive weapons of the CIS and the United States should be put on a regime of 24-hour combat readiness.

During the course of the implementation of the Soviet-American Intermediate and Shorter Range Missiles Treaty, about 90 percent of our 1,846 missiles were destroyed by exploding them and the rest were eliminated by launching them, which led to considerable losses. In our extreme economic crisis, we must not repeat this mistake.

In addition to strategic missiles, we will destroy many SSBN's. Some Canadian specialists are showing an interest in the potential technical possibility of using disarmed and modernized nuclear submarines for transporting oil on the shelf of the Arctic Ocean. These nuclear submarines could have multinational crews—with the participation of seamen from Russia, the United States, and Canada. In the opinion of the Canadian experts, this would produce a great economic and political effect, and it would also serve as an incentive for arms reduction by proving its economic effectiveness. There is another idea pertaining to this problem. This has to do with the possibility of using our disarmed nuclear submarines as powerful energy plants in the Far North of Russia.

A similar approach could be used for heavy bombers and cruise missiles that are not intended for military use. These aircraft with their unused potential should not be primitively destroyed.

The conclusion. The framework agreement on strategic offensive weapons should not be ratified by the Supreme Soviet of Russia in its present form since it does not correspond to the principle of equal security of the parties and is unacceptable to Russia because of economic considerations.

The solution is to have the Supreme Soviet of Russia instruct the government to immediately take the initiative and propose that the United States provide technical consultation at the level of government experts with the goal of coordinating additional protocols pertaining to special measures for increasing the overall security of the parties and obtaining a maximum economic return in savings by the parties through using in the national economy mothballed strategic weapons which are scheduled for destruction.

I ask that the honorarium for this article be transferred to the fund for support of the newspaper PRAVDA.

Cleanup of Baltic Chemical Weapons Waste Viewed

PM2407084792 Moscow ROSSIYSKAYA GAZETA
in Russian 22 Jul 92 First Edition p 7

[Interview with Major General Professor Doctor Igor Yevstafyev, deputy chief of the CIS Joint Armed Forces Chemical Troops and corresponding member of the Russian Academy of Natural Sciences, by Mikhail Gusev; place and date not given: "No Need To Rush To Fish for Bombs. Why Politicians Are Interested in the Mysterious Floor of the Baltic"—first four paragraphs are Gusev introduction]

[Text] Not just any sensation is enough to surprise presidents. George Bush the naval officer was hardly likely to know about the chemical weapons barbarically buried in the Baltic Sea. It is unlikely that George Bush the professional diplomat had ever heard about it. It is hard to imagine that George Bush the CIA director would not have known about it. But George Bush the President, on learning this oldish piece of news revealed by a Russian colleague during a transatlantic trip, expressed his surprise to the entire world. Which was quite enough to revive this totally "top secret" story, turning it into a sensation.

A sensation is what it was. Once. Today, it remains a problem. Problems last a long time, sensations just an hour. There is no need to be particularly surprised that this hour has come again. Things can get very strange in big-time politics. What is surprising is something else. In Helsinki our president again reiterated for the entire world to hear that the Baltic Sea will gradually be "blown up" by chemical shells eaten away by time and water. This was another sensation, but the winner will be the person who "capitalizes" on it.

With the presidents' encouragement scientists, businessmen, and statesmen have homed in on the underwater burial site. The Baltic's woes will produce major capital—monetary for some, political for others. One of the first to react was the head of the Latvian Supreme Council, who frightened the participants in an international forum in Switzerland with the prospect of the Baltic Sea dying from the military chemical content of German bombs dumped on the sea floor in 1947 off the coast of Lithuania, Latvia, and Denmark by, Anatolij Gorbunovs claims, the Soviet authorities. A lot of what he said in his intriguing statement was lies.

Lithuania and Latvia, in whose coastal waters nobody has ever dumped any chemicals, were cited by the Latvian leader for absolutely transparent reasons. And the clearly exaggerated powers of the Soviet authorities—alleged to have personally decided to dump the foreign poison—were a purely political and economic step: They dumped it, they should clear it up. Our authorities at the time, it should be noted, were shared [obshchiye], even if they were culpable. Various stories, accusations, and forecasts have poured into the newspapers, whipping up interest in the mysterious floor of the Baltic. What is down there? Whose heavy hand caused the damage? Who "ordered" the disaster and who will now have to pay for it? I put these questions to a recognized authority—Major General Professor Doctor Igor Yevstafyev, deputy chief of the CIS Joint Armed Forces Chemical Troops and corresponding member of the Russian Academy of Natural Sciences.

[Gusev] Igor Borisovich, were we or were we not—and by "we" I mean the Union—to blame for the Baltic "burial site" which was kept secret for many years and which surprised the U.S. President?

[Yevstafyev] I will answer your question with another question—what right did we have to personally dispose of the captured German arsenal? Bush could not fail to have known about the burial of the chemical agents, if only because dumping decisions, as well as others, were made by the United States too. In October 1943 the foreign ministers of the United States, Britain, and the USSR unambiguously advocated the demilitarization and disarmament of Germany under the control of, and following a program laid down by, the allied control commission and its special organs.

Then came the Berlin (Potsdam) Conference of the leaders of the three victorious powers. The 1 August 1945 protocol to the conference recorded: "All armaments, ammunition, and weapons of war together with all specialized means for their production should be under allied control or destroyed." In September 1945 a session of the Military Directorate decided to "destroy all stocks of military chemical agents and chemical munitions; and to destroy, burn, or dump at sea all chemical warfare agents."

The German chemical weapons were dumped in the Baltic immediately after the war, as attested by the materials of the Stockholm International Peace Research Institute. This is confirmed by Robert Harris and Jeremy Paxman in their book *A Higher Form of Killing: The Secret Chemical and Bacteriological War* and by surviving participants in the chemical dumping operation in the Baltic.

[Gusev] The press is currently giving the most varied figures for the amount of weapons dumped...

[Yevstafyev] The Stockholm Institute again believes that "at the very minimum no less than 20,000 tonnes of weapons were dumped in three places." But these tonnes also include the weight of shell and bomb casings. The dumping sites themselves are also known—the Skagerrak near the Norwegian coast, the outer roadstead off Kiel, and a point 20 miles east of the Danish island of Bornholm. There is nothing new or secret about this information. Incidentally, ROSSIYSKAYA GAZETA discussed it back in June. More accurate information can be found in the control commission archives.

[Gusev] How fair is it to accuse Russia—as the Union's legal successor—of having committed an environmental crime?

[Yevstafyev] Current international law prohibits this means of getting rid of chemical weapons. And the international convention on the prevention of pollution from ships specially lists the Baltic as being among the most environmentally vulnerable regions.

But the dumping of chemical munitions was carried out by the allies in the anti-Hitler coalition at a time when these norms of international law did not exist. Moreover, there was a widespread opinion both here and in the West that the sea was the most reliable place to bury

waste. Furthermore, it would have been no less dangerous at the time to have left the chemical munitions on the territory of any European state.

[Gusev] But, judging by statements from our president and from completely official sources throughout Lithuania, Latvia, and Estonia claiming that the chemical shells could "make their presence felt" at any time, this decision does not seem to have been very farsighted or safe.

[Yevstafyev] In my view, it is in practice unrealistic to create in a body of water a concentration of toxic agents or of the products of their decomposition that would endanger the biosphere. First, these agents hydrolyze, losing their toxic properties, and the speed with which they enter the atmosphere owing to their shell casings becoming less airtight over the course of time will be significantly lower for all types of toxic agents than the speed of their hydrolysis—their interaction with the water. Additionally, they are diffused in the water, and this is "helped" by underwater currents...

[Gusev] But surely nothing stays underwater forever, much less shells...

[Yevstafyev] Cannon artillery munitions will remain airtight for 15 to 25 years at a depth of 50 to 200 meters.

[Gusev] Unfortunately, it seems that they started leaking a long time ago. What, in your opinion, has happened to their deadly contents?

[Yevstafyev] Mustard gas is virtually insoluble in water and the products of its hydrolysis are quite toxic, therefore we can expect the munitions that originally carried it to retain toxic products even after partial rust-through corrosion. But as long as the munitions are under a layer of silt they will pose no danger to the environment even after the casings have been completely destroyed. Lewisite is easily hydrolyzed, but it contains arsenic, all compounds of which are toxic. These are safer when covered by silt. Sarin, which is a particular worry for the Danes and Norwegians, is not present on the seabed—it was not produced back then.

The shells are most probably dispersed over a large area, overgrown with seaweed and barnacles, and covered with sand and silt. Even if they could be "counted" and detected, we would need to determine whether chemical agents were present in them. How would we determine whether they were airtight or whether hydrolysis had taken place? And how would a corroded shell be brought to the surface? How would the chemical agent be destroyed and where would this happen? The modern technology developed in our country has been designed for a different type of munition.

[Gusev] Nonetheless, there is a problem and it cannot be avoided.

[Yevstafyev] And it will be very expensive. If a decision is made to rid the floor of the Baltic of military chemicals, then the combination of cryogenic technology with technology for burning toxins while, naturally, purifying

the waste gases, will look very attractive. Most probably, installations would have to be set up on mobile floating platforms, since transporting munitions raised from the seabed will be highly problematic, and the effectiveness and purposefulness of the work is not yet clear.

Captain First Class Yuriy Yefremov, chief of the Baltic Fleet's Chemical Service, is also confident that there has been no sudden massive discharge of toxic agents. Vasiliy Rodionov, a civilian and secretary for technology questions with the international commission for the protection of the Baltic Sea region maritime environment, sees no grounds for panic either.

But, despite all this, the Swedish newspaper SYDSVENSKA DAGBLADET SNALLPOSTEN has shaken the world with a report that the German defense minister not only had a concrete plan for neutralizing the dumped munitions, but had also generously proposed it to us and that we had arrogantly refused. If the newspaper's information is to be believed, the minesweepers Marburg, Koblenz, and Goettingen, which have operational experience in the Persian Gulf, were prepared to bring the chemical munitions to the surface. But this is hard to believe. And anyway, bringing them to the surface is not the same thing as destroying them. H. Nilsson, a chemical agents expert at the Swedish Defense Research Center, believes that the "Stoltenberg plans are more akin to a political gesture than anything realistic," and that the danger of chemical agents being present in the seawater has been patently exaggerated.

The Baltic is a polluted sea. And, unfortunately, poorer and poorer owners—Lithuania, Latvia, Estonia, and Poland—live along its coastline. They cannot afford to shell out the \$22 billion which those in the know reckon would be needed for a complete clean-up. Our former "sisters forever" in the Baltic have a vision of Russia as the rightful heir to all the sins of the former Union, hinting that it would be a good idea for it to spend some of the dollars it has borrowed from the West on "chemically cleaning" the Baltic seabed. And they are not alone in their complaints. The West is not refusing to give technical assistance, but the politicians' new wave of interest in the fate of a foreign sea gives their well-off potential voters a chance for lucrative capital investment. It is undoubtedly a good cause, but it should just be looked at from both sides. We have plenty of things to spend money on—we just do not have the money... During Yeltsin's visit to Helsinki it was decided that an international commission would draw up a program for raising and destroying the German shells. But our unjustified sense of nonexistent guilt could cost our taxpayers very much under this program.

Yet a far wealthier power—Britain—has been unenthusiastic about the Scandinavian idea of stopping the seabed from being turned into a nuclear dumping ground, and, weighing up its abilities, replied that it could do nothing to help before 1998: There is nowhere left to put the waste. Incidentally, Britain is responsible for three-quarters of all the nuclear waste that has

officially been dumped in the Atlantic. And the other countries on the list are not paupers either—Switzerland, the United States, Belgium...

...Which in no way means that we should follow their example and give up on the Baltic. Of course it must be saved. But saved jointly. All the more so because it is now far more important to Lithuania, Latvia, and Estonia than it is to Russia, which controls a far smaller area of the Baltic, whose industrial pollution has come not only and not so much from Russian shores. It is obvious that military chemical pollution is now less

dangerous than industrial pollution, which continues to flow into this tragic semi-enclosed sea from sovereign shores. Bombs, shells, and weapons are words which impress politicians more than environmentalists. During election campaigns politicians will be happy to harp on about the dumped bombs to their "green" voters. Is it worth playing to the gallery on this subject? The process of cleaning the Baltic may be accelerated if this international problem becomes the focus of short-term policy, but it will hardly benefit from it.

There is no need to rush when fishing for bombs.

West Worried Over Safety of CIS Nuclear Power*LD2407084092 Moscow KRSNAYA ZVEZDA
in Russian 22 Jul 92 p 3*

[Mikhail Pogorelyy article: "West Concerned About Our Nuclear Reactor Safety"]

[Text] The problem of ensuring world safety standards for Soviet-made nuclear reactors was discussed, as is well known, at the "G-7" leaders' Munich summit. In the two weeks since then the subject has been further developed—not least within the framework of the IAEA and the OECD. Hearings on the subject were even held the other day in the U.S. Congress.

The fact is that, by Western standards, the Soviet-made RBMK [high-power pressure-tube reactor] reactors cannot be considered safe because they are not equipped with massive steel and concrete structures to contain radiation in the event of an accident. In this case there is no question about the design shortcomings of this reactor—flaws which have been energetically debated and sharply criticized in the Western press.

According to assessments by IAEA experts, the second main type of reactor—the different versions of VVER [water-cooled water-moderated reactor] reactor—has no emergency cooling system or backup coolant inlets and outlets, and the reactor is not lined with stainless steel. In the specialists' opinion, the more successful versions—the VVER-1000 and the VVER-440/213 (31 units in all)—could be brought up to the necessary safety standard. According to Ivan Selin, chairman of the U.S. committee for nuclear safety, the other 10 VVER 440/230 and all 15 RBMK reactors are not suitable for further use.

Currently, according to IAEA figures, there are a total of 57 Soviet-made reactors "in operation" in the former USSR republics and the states of East Europe, while 29 are still under construction (including one each in Cuba and India). RBMK's are located only in our country—Smolensk, Kursk, Sosnovyy Bor, Chernobyl, and Snieckus in Lithuania. The VVER-440/230, which has not been approved by the Western specialists, can be found on the Kola Peninsula in Russia, in Armenia, Bulgaria, and Czechoslovakia.

The industrially developed states are proposing as a priority to enhance the operational safety of the AES's [nuclear electric power stations] by means of technological improvements, control systems, and better-quality staff training. Initial calculations show that this will cost up to \$170 million a year. So far the United States has allocated Russia \$40 million on a bilateral basis, and will be allocating another \$100 million over the next two to three years. More accurate calculations are expected to be made by the relevant international organizations.

And these calculations will obviously contain not only financial estimates but also recommendations for the use of alternative energy sources. After all, according to

USIA, nuclear power stations currently supply 45 percent of Lithuania's electricity requirements, for instance, with the corresponding figures being 35 percent for Bulgaria, 28 percent for the CSFR, 25 percent for Ukraine, and 12 percent for Russia.

The international public's concern about the safety of our nuclear reactors is great. Particularly since the 1986 Chernobyl disaster—quite understandably. And, seeing that we are unable to cope with our problems ourselves, our neighbors are prepared to help us out. Aid is aid, but—as the final communique from the Munich "G-7" summit stressed—"every state... is itself responsible for the safety of its nuclear power stations." That is entirely fair.

Chinese Bank Deputy Views Joint Economic Ties*LD2407125292 Moscow ITAR-TASS in English
1823 GMT 23 Jul 92*

[By ITAR-TASS]

[Text] Moscow July 23 TASS—There are very favorable prospects for China's economic ties with countries of the former USSR. Friendship and cooperation will be developing, Tu Jiangji [name as received], managing vice president of the board of directors of the Bank of China, said in an interview published in the latest issue of the newspaper "BUSINESS AND BANKS".

Tu Jiangji said that the Bank of China expects that settlements will be made mostly in freely convertible currency. At the same time, it is necessary to develop barter border trade and set up joint ventures. Contacts and cooperation between banks should be developed. Tu Jiangji said the Bank of China is engaged in the effort to establish correspondence with the Banks of Russia, Kazakhstan, Byelarus and Uzbekistan so as to help develop trade and exchange of services.

U.S. Experts To Support Agricultural Production*LD2407055992 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1400 GMT 23 Jul 92*

[From the "Novosti" newscast]

[Text] The U.S. Department of Agriculture has announced that it has begun to recruit experts from U.S. agricultural businesses to send to the former Soviet Union with the goal of raising agricultural production there. The report notes that influential representatives from U.S. agricultural businesses will help the CIS countries increase agricultural production and aid in privatization efforts. They will also help to carry out economic reforms in the Commonwealth countries.

European Parliament Chairman Ends Visit

PM2307115192 Moscow ROSSIYSKAYA GAZETA
in Russian 21 Jul 92 First Edition p 1

[ROSSIYSKAYA GAZETA-ITAR-TASS report under the "News" rubric: "Visit by European Parliament Chairman"]

[Text] European Parliament Chairman Egon Klepsch, who is traveling around the Commonwealth countries, ended his visit to St. Petersburg.

The issues of developing EC and CIS ties, offering assistance in implementing economic reforms, and possibly opening a permanent EC mission in St. Petersburg were examined during his meeting with Mayor Anatoliy Sobchak and City Soviet Chairman Aleksandr Belyayev. Anatoliy Sobchak expressed his gratitude to the EC Commission for the food aid supplied to the city and noted the need to continue sending aid in the future since the food supply situation remains difficult.

World Muslim Forum Opens in Naberezhnyye Chelny

PM2307085892 Moscow IZVESTIYA in Russian
21 Jul 92 Morning Edition p 2

[Report by Radik Abdullin: "Russian and World Muslims' Forum"]

[Text] Ufa—The beginning of this week marked the most important event in the lives of Russia's Muslims in recent centuries.

Thus in Naberezhnyye Chelny celebrations began to mark the opening of the largest mosque in the country, the "Tauba—Repentance" mosque, which has been built to honor the 1,100th anniversary of Islam's adoption in Velikiye Bulgary. After this the world forum of representatives of business circles and religious figures of the Arab and Islamic world will begin its work. The republics of Bashkortostan and Tatarstan, leaders of world Islamic organizations, heads of CIS religious administrations, and businessmen from more than 40 foreign states are participating in the forum, which will be held under the slogan "Muslims and the New World Order—Our Present Reality and Future Horizons Within a Framework of Cooperation."

First Stage of Dagomys Accord Completed

*LD2307134892 Moscow ITAR-TASS World Service
in Russian 1230 GMT 23 Jul 92*

[By ITAR-TASS correspondents Igor Gvritshviliy and Mikhail Shevtsov]

[Text] Moscow, 23 July. (ITAR-TASS)—“The first stage of settling the Ossetian-Georgian conflict in accordance with the Dagomys agreement between Russia's President Boris Yeltsin and Georgia's State Council Chairman Eduard Shevardnadze has been completed in full.” This was reported by Sergey Shoygu, cochairman of the mixed control commission on Russia's side, at a news conference on 23 July in Russia's Foreign Affairs Ministry press center.

He said, in particular, that the creation of the mixed control commission and groups of observers and the introduction into the region of peace-making forces made it possible to ensure a cease-fire between the opposing sides and to start the restoration of vital functions in and around Tskhinvali.

“At present, the second stage of the peace-making mission is beginning: the economic renewal of the region; setting up water supplies, communications, and transport facilities; creating conditions for the return of refugees to their homes; harvesting work and preparations for winter. A special multilateral commission already has joined in this work to determine the economic loss inflicted by the three-year war, and to determine immediate measures to restore industrial enterprises and the construction of housing,” noted Sergey Shoygu. He added that at this stage law enforcement bodies will be set up on South Ossetia's territory.

Sergey Khetagurov, co-chairman of the mixed control commission, said that the most acute problem at the moment was the problem of refugees. There are over 100,000 of these in North Ossetia.

Concerning the economic losses the region has suffered, the Georgian side calculates that they amount to four to five billion.

With regard to the future political status of the territory of South Ossetia, there were serious disagreements between representatives of Georgia and North Ossetia. In particular, Georgian Defence Minister Tengiz Kitovani thinks that granting South Ossetia full political autonomy runs counter to “the interests of the Georgian people” and will lead to the dismemberment of the Republic of Georgia. On the contrary Sergey Khetagurov, chairman of the Council of Ministers of South Ossetia, thinks that only granting South Ossetia the status of a republic within Georgia will make it possible to avoid future armed conflicts on this territory.

At the same time, all three co-chairmen agreed that the question of the status of South Ossetia can be raised only after the holding of the parliamentary elections in Georgia, scheduled for 11 October this year.

Talks on Conflict Continue

*LD2407054692 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1400 GMT 23 Jul 92*

[From the “Novosti” newscast]

[Text] [Reporter V. Perfilyev] The results of the first stage in settling the conflict in the Tskhinvali area were summed up today at a news conference in Moscow given by Sergey Shoygu, chairman of the Russian State Committee for Emergency Situations; Georgian Defense Minister Tengiz Kitovani; and Sergey Khetagurov, head of the North Ossetian Government.

[Begin recording] [Unidentified reporter] How soon will the refugees be able to return to their homes? How many have already returned, and is there a plan for them to be home by the winter, for instance?

[Khetagurov] According to our information, there are over 100,000 refugees on North Ossetian territory. The Georgian side, for example, said the restoration of South Ossetia will cost about 4 to 5 billion rubles. For the moment we are refraining from making any estimates of the total losses, but we do not believe they will be less than that, in any event.

The second stage will be to implement fundamental measures to restore industry, agriculture, housing, and all the rest. Of course, it will not be possible for all the refugees to return in a short period, but the most important thing is that this process has begun. [end recording]

[Perfilyev] There is a fragile peace in the Tskhinvali region today, and the wounds from the confrontation are still fresh. The threat from those forces which benefit from the war, forces which have made murder and destruction a profitable business, is greatly increasing. All the participants in the news conference agreed that such forces did exist in the region.

Further Reaction to Black Sea Fleet Situation**Kasatonov, Kozhin on Ship ‘Hijack’**

*PM2307155992 Moscow IZVESTIYA in Russian
23 Jul 92 Morning Edition p 1*

[Report by Viktor Litovkin: “‘SKR-112’ Raises Ukrainian Flag. Delayed Political Solution of Black Sea Fleet's Future Is Fraught with Dangerous Consequences”]

[Text] At 0840 hours on 21 July, during training for a display to celebrate Navy Day, a patrol ship bearing the number “815” and belonging to the 17th water protection ships brigade, stationed in Donuzlav (Crimean Naval Base), suddenly hoisted the Ukrainian state flag and left the training area, setting sail for Odessa.

Observers described this fact as another attempt to wreck the moratorium on the division of the Black Sea Fleet, reached in Dagomys between the Russian and Ukrainian presidents.

The ship's commander, Lieutenant Captain Sergey Nasenko, said that he took full responsibility for this step and for the fate of the crew. Six of the nine officers (three were on leave), and five warrant officers and 61 men, petty officers and seamen, were on the patrol ship at the time. Three-fourths of the crew have taken the oath of loyalty to Ukraine. The rest remained loyal to the old oath.

Captain 2d Class Nikolay Zhibarev, brigade chief of staff, was also on board the rebel patrol ship. At Black Sea Fleet headquarters he is being described as having initiated and inspired the crew's actions.

We were told at headquarters that the captain 2d class took the oath of loyalty to Ukraine in January, but he asked the fleet leadership to let him continue serving and gave his word as an officer that he would not do anything that might result in crews being ethnically split.

A missile fast attack craft, the SKR "Bezukoriznennyi," small antisubmarine ship 93, a small amphibious warfare ship, and a surface-effect ship set off in pursuit of SKR-112 (the ship's tactical name). A Black Sea Fleet B-12 antisubmarine aircraft, which, the seamen claim, was making planned flights, was in the air at the time. According to reports from fleet headquarters, by 1800 local time the missile fast attack craft and surface-effect ship had caught the "rebel" SKR.

At that moment a Ukrainian armed forces Su-27 aircraft appeared in the sky above them and gave to understand that it would defend the patrol ship. Moreover, Ukrainian border ships took the ship flying the Ukrainian flag under their wing. Escorted by them, it got to Odessa and dropped anchor one mile off shore.

AP described the incident as the most dangerous ever. It brought Russia and Ukraine to the brink of an armed clash, the agency concluded.

At 1800, Rear Admiral Tsubin, commander of the Crimean Naval Base in Donuzlav; Aleksandrov, deputy chairman of the Black Sea Fleet Officers' Assemblies Coordinating Council; Captain 1st Class Osokin, deputy assistant commander of the Black Sea Fleet for personnel work; and Rear Admiral Kozhin, commander of Ukrainian Naval Forces flew from Sevastopol to Odessa.

But the Black Sea Fleet officers were not allowed onto the patrol ship, Black Sea Fleet commander Admiral Igor Kasatonov told the editorial office. According to the admiral, Major General Yermakov, Odessa Military District chief of staff, threatened to use force unless they stopped trying to board it.

Kasatonov called the action involving the "rebel" patrol ship an armed self-hijack of a warship, constituting the grossest violation of the Dagomys agreements. He also

said he regarded it as a provocation inspired by top officials in the Ukrainian Defense Ministry or coordinated with them.

"How else could the patrol ship's passage to Odessa be covered simultaneously from the air, from the sea, and from dry land," he said in a telephone conversation with IZVESTIYA.

At the same time, our Kiev correspondent Sergey Tsikora reports, Rear Admiral Boris Kozhin, commander of the Ukrainian Naval Forces, told journalists that he does not support the actions of the patrol ship's crew, since they lead to the destabilization of the situation. But according to the NEGA news agency, the Ukrainian admiral acknowledged that the patrol ship's sailors had the right to express their will. Although, whatever the military commanders' and sailors' motives might be, it has to be said that another incident in the Black Sea, almost ending in bloodshed, acutely emphasizes the problem of completing the interstate talks on its future as soon as possible. The delay over the political decisions could result in an even more dangerous explosion. As Admiral Kasatonov told the editorial office, the mechanism for dividing up the fleet has not yet been created, unfortunately.

On arriving in Armavir—the first stop in a three-day tour of Russia—Boris Yeltsin said, ITAR-TASS reports, that "effectively there remains only one question Leonid Kravchuk and I have not resolved following Dagomys—the Black Sea Fleet." Clearly I must meet with the Ukrainian president again, since the problem cannot be resolved at any other level, he added.

Seamen Concerned Over Talks

LD2307123192 Moscow ITAR-TASS in English
1159 GMT 23 Jul 92

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow July 23 TASS—The military personnel of the Black Sea Fleet are eagerly looking forward to when two friendly CIS and Ukrainian fleets will sail in the Black Sea, according to Nikolay Zelenin, assistant of the CIS Navy commander of personnel.

The speed of the Russian-Ukrainian talks on the issue does not satisfy seamen and tension among them is growing, he told TASS on Thursday [23 July].

"We are mostly concerned by Ukraine's unilateral attempts to privatise the Fleet," Rear Admiral Zelenin said. They began during the spring draft when the Ukrainian leadership insisted that only Ukrainians should serve on the Fleet.

The order of the Ukrainian defence minister to re-subordinate the Coast Guard Regiment of the Fleet violated the Dagomys agreements. At present the Ukrainian Defence Ministry is doing everything possible to

speed up the transfer of ships to Ukraine and resorts to actions which cause indignation among the majority of seamen, he added.

Over one thousand seamen from the Black Sea Fleet swore allegiance to Ukraine, 260 of them are officers, according to the rear admiral.

Zelenin said he cannot rule out new incidents like the one which happened on Tuesday when a warship fled from its CIS base in Sevastopol to Odessa. Last winter, he reminded, the crew of a small submarine chaser from the same brigade as the runaway ship expressed their wish to serve under the Russian flag and sailed to Sevastopol.

"We would not like the protests to continue, as they concern the fate of many people who hope a compromise will be achieved at talks on the fleet", Zelenin said.

Delegations Agree on Issues

LD2307230392 Moscow *ITAR-TASS World Service* in Russian 2140 GMT 23 Jul 92

[By UKRINFORM correspondent Mikhail Stetsok—TASS]

[Text] Sevastopol, (Crimea), 24 Jul—Participants at a meeting held here today between the leaders of the delegations to the talks on the Black Sea Fleet—Vasiliy Durdinets, first deputy chairman of the Ukrainian Supreme Soviet, and Yuriy Yarov, deputy chairman of the Russian Supreme Soviet—have reached agreements on a number of issues.

Nikolay Bagrov, chairman of the Crimean Supreme Soviet; Admiral Igor Kasatonov, commander of the Black Sea Fleet; Boris Kozhin, commander of the Ukrainian Navy; Ivan Yermakov, Ukrainian president's representative in Sevastopol; and Viktor Semenov, chairman of the Sevastopol Town Soviet of People's Deputies also took part in the meeting.

Agreement was reached on setting up a parliamentary commission to supervise observance of the Dagomys agreements between the presidents of Ukraine and Russia, Durdinets and Yarov stated at a news conference here. It will include not only people's deputies from the Ukrainian and Russian supreme soviets, but also deputies from the Crimea and Sevastopol.

Speaking at the news conference, Admiral Kasatonov and Vice Admiral Kozhin described the recent extraordinary occurrence of the escort ship crossing from the Crimean naval base to Odessa as a violation of the moratorium and the Dagomys agreements. The Ukrainian procurator general has been instructed to investigate this particular incident, Durdinets stated. Agreement was also reached on cooperation between the commanders of the Black Sea Fleet and the Ukrainian Navy to prevent similar occurrences which could destabilize the situation.

Emphasizing their desire to reach agreement on all the problems of dividing the Black Sea Fleet as soon as

possible, the leaders of the delegations did not hide the fact that their path is far from simple and that several contentious problems still remain, but both sides are absolutely certain that a mutually acceptable solution will eventually be found.

Yeltsin, Kravchuk 'Should Meet Again'

OW2407135992 Moscow *INTERFAX* in English 1327 GMT 24 Jul 92

[Transmitted via KYODO]

[Text] The sides at yesterday's Russian-Ukrainian talks on the Black Sea Fleet held in Sevastopol came to a conclusion that the Presidents Boris Yeltsin and Leonid Kravchuk should meet again shortly to discuss the problems concerned. The leaders of the two delegations Yuriy Yarov and Vasiliy Durdinets will report to the Presidents on the issue—as *INTERFAX* has been told at the fleet's press-centre.

The talks were on the coast-guard ship hijacked from its Crimean base to Odessa under the Ukrainian flag. The incident has caused a deterioration of the situation with the Black Sea Fleet. The participants of the talks have decided to set up an inter-state commission for the observance of the moratorium on the fleet under the Dagomys agreements. The commission is to be based in Sevastopol and include Russian and Ukrainian parliamentarians and deputies of the Crimean and Sevastopol councils.

Ukraine's Morozov To 'Compromise'

PM2407082192 Moscow *IZVESTIYA* in Russian 24 Jul 92 Morning Edition p 1

[Report by Sergey Tsikora: "So We Have Ended Up Firing at Sea Too"]

[Text] The rebel escort vessel that left the fleet's base in Crimea without authorization has reached Odessa and moored at the pier reserved for Ukrainian border guard ships. The commander says that during the voyage his ship came under repeated bombardment from four Black Sea Fleet ships in pursuit.

The Ukrainian Defense Ministry has issued an official statement on the incident which defends the ship's commander and crew, who swore loyalty to the Ukrainian people six months ago. The republic's defense minister, K. Morozov, speaking on television's Channel 1, said that he "is forced to lodge a resolute protest at the actions taken by the command of the Black Sea Fleet and demand that they immediately stop their illegal actions against Ukrainian citizens performing military service in their own country."

The statement reflects Ukraine's current posture on the future of the Black Sea Fleet. This is founded on the republic's legislation whereby there can be no troop formations on its territory that do not belong to the Ukrainian Armed Forces. That is why the former USSR's strategic nuclear forces have temporary status in Ukraine. Until they are totally cut back, Morozov said,

"Ukraine reserves the right to exercise administrative control of them and verify that they are not used from our state's territory."

Ukraine takes a similar approach to resolving the problem of the Black Sea Fleet, the minister said, stressing that it is largely Ukrainian citizens who serve with the fleet today, the fleet is based on its territory, and it is funded out of the republic's budget. As a development of the Dagomys accords the Ukrainian delegation proposed solutions that "make provision for the separate basing of fleets on the territory" of Russia and Ukraine. However, the Russian delegation did not agree to that, laying claim not only to the warships but also to installations on land, which deadlocked the talks.

"A situation of clear confrontation has taken shape and it is highly probable that there will be conflicts involving weapons," Morozov said, adding: "We are not hanging on to the fleet, we are upholding the integrity of our state. Ukraine's position is right," the minister said. "We do not lay claim to that which is outside the confines of our state and we respect other peoples' right to their own property."

So what outcome to the confrontation can be seen, given that guns have already been fired at sea?

"There must not be on our territory troops under the jurisdiction of other states," Morozov said. "We will settle this issue through talks. We are prepared to compromise."

Rutskoy on 'Provocation'

PM2407075092 Moscow IZVESTIYA in Russian
24 Jul 92 Morning Edition p 1

[Unattributed report: "Russian Vice President on Incident With Ship"]

[Text] During a meeting in the Kremlin 22 July with independent mass media correspondents, Russian Vice President Aleksandr Rutskoy said: "When resolving the question of the Black Sea Fleet we are bound to take into consideration the Russian and Ukrainian peoples' normal feelings of patriotism. But everything must be done in a civilized manner." In this connection the vice president viewed the incident with the ship as provocation ahead of Boris Yeltsin's meeting with Leonid Kravchuk at which they are to discuss the question of the Black Sea Fleet. "This matter can only be resolved on the basis of accords reached by the two presidents," A. Rutskoy stressed, "and such incidents only hamper them."

'New Stand' on Baltic Troop Withdrawal Noted

OW2307130792 Moscow INTERFAX in English
1232 GMT 23 Jul 92

[Report by diplomatic correspondents A. Borodin, A. Pershin, and Igor Porshnev and others from "Diplomatic Panorama"; transmitted via KYODO]

[Text] Russia has formulated "a fundamentally new stand" on the issue of Russian troops withdrawal from

Latvia and other Baltic countries, said Deputy Foreign Minister Vitaliy Churkin. On Wednesday, July 22, he took part in a meeting between Russia's Acting Prime Minister Yegor Gaydar and his Latvian counterpart Ivars Godmanis.

"If such issues as the status of troops, the possibility of retaining certain strategic facilities for a longer period of time and every-day problems faced by the servicemen are resolved in one package, military units will be able to withdraw in a much shorter time", he told newsmen.

In answer to a question from DP's [Diplomatic Panorama] correspondent V. Churkin said: concrete times for the withdrawal of troops have not been mentioned yet, but he hopes that they'll be fixed in the near future. The Russian diplomat said he is satisfied that Latvia agreed to the principle of resolving problems in a package.

According to him, Y. Gaydar called the attention of I. Godmanis to the Russian parliament's statement concerning the observance of human rights in Baltic countries. At the present talks, said Russia's Deputy Foreign Minister, Latvia has taken a very civilized and advanced stand on the problems of human rights.

V. Churkin drew attention to the assurances of I. Godmanis that when working out legislative acts concerning human rights Latvia will adhere to "high European and international standards".

According to the diplomat, Latvia promised to back Russia's call for establishing the post of High Commissioner for the affairs of ethnic minorities in the framework of the Council of Baltic States. The decision to establish a similar post on the level of Europe has also been taken in the framework of the CSCE.

Russia's Foreign Ministry decided to form a group to consider this issue in detail and ensure prompt exchanges of information. Therefore a range of measures has been planned with a view to bringing these problems from the field of emotional declarations to the area of concrete consideration and practical solutions", said V. Churkin.

Admiral Says Pacific Fleet Under Russian Rule

LD2307135592 Moscow ITAR-TASS in English
1239 GMT 23 Jul 92

[By ITAR-TASS correspondent Vladimir Palagutin]

[Text] Vladivostok July 23 TASS—The Soviet symbols on all ships of the Pacific Fleet were changed for the traditional Russian ensigns, which actually means the fleet has come under the jurisdiction of Russia. This was the focal point of today's news conference held by commander-in-chief of the Pacific Fleet, Admiral Genadiy Khvatov, for correspondents of central and local news media on the occasion of the Navy Day.

The main task of the Navy, as before, is defense of the Far East sea borders. It is especially important now that there have appeared quite a number of forces in the

Asian-Pacific region wishing to profit by Russian territories. "Without interfering in the sphere of politicians, nevertheless, we should always remember that a military man's primary duty is to be a defender of his motherland," the admiral stressed.

As for the initiatives of Russian Foreign Minister Andrey Kozyrev to develop cooperation with naval forces of the Association of South-East Asian Nations (ASEAN) and the region as a whole, "we are ready to take part in this work and believe it will promote confidence-building measures on seas," Admiral Khvatov said.

Touching upon the possibilities of the Pacific Fleet, the admiral emphasized that despite certain difficulties connected with the general situation in Russia, the fleet is ready to fulfill all the tasks entrusted to it.

Russia Interested in Cooperation With Baltics

OW2307150492 Moscow BALTFAX in English
1405 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] Speaking at a briefing in Moscow Thursday [23 July], a press spokesman for Russia's Security Ministry, Andrey Chernenko, characterized as "episodic" present-day cooperation between the security departments of Russia and the Baltic countries. In his opinion, closer contacts between the departments could only be developed on a solid legal basis.

In the meantime, Mr Chernenko emphasized that Russia is interested in close cooperation with the security services of the Baltic countries because "smugglers and drug traffickers use them for exporting drugs from Russia".

Andrey Chernenko evaded BALTFAX' direct query about the Russian special services' direct involvement with intelligence activities in the Baltic countries, noting, however, "we have plenty of experts on these countries."

Official Comments on Relations Within CIS

LD2407103592 Moscow ITAR-TASS in English
1552 GMT 23 Jul 92

[Text] Moscow July 23 TASS—Several groups were formed within the Commonwealth of Independent States which differ from each other in their approach to the status and aims of the Commonwealth, first Russian deputy foreign minister, Fedor Shelov Kovedyayev, who supervises relations between former Soviet Republics, said in an interview with the ITAR-TASS news agency on Thursday [23 July].

One of these groups, including Armenia, Byelarus, Kazakhstan, Kyrgyzstan, Tajikistan, Russia and Uzbekistan, is prepared for close contacts.

The other group, including Moldova, Azerbaijan, Turkmenistan and Ukraine, has not yet determined its attitude to such contacts.

Shelov Kovedyayev believes CIS institutes such as councils of head of state and government, defence ministers, foreign ministers, as well as power engineering, transport, ecology, and meteorology institutes, are successfully operating.

Touching upon the problem of Russians living outside Russia, in particular, in Baltic states, Shelov Kovedyayev expressed concern that "legislative acts were adopted or might be adopted which do not look correct in terms of law."

When asked what measures were being taken by the Russian Foreign Ministry to protect its citizens, he said the Russian Foreign Ministry had already applied to CSCE, the Council of Europe and the United Nations to resolve the problem.

ITAR-TASS Carries Press Review for 24 Jul

LD2407052592 Moscow ITAR-TASS in English
0436 GMT 24 Jul 92

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 24 TASS—Moscow newspapers again highlight today the Russian-Ukrainian relations. "A small vessel can cause a quarrel between two major powers," NEZAVISIMAYA GAZETA writes, commenting on the recent incident at the Black Sea Fleet, when a patrol boat left for Odessa, Ukraine, without being ordered to. In the opinion of the newspaper, "the Russian and Ukrainian presidents will probably have to meet once again," because the problem cannot be settled on other levels.

Newspapers give wide coverage to economic issues. Thus, NEZAVISIMAYA GAZETA carries an interview with Viktor Gerashchenko, who was appointed recently acting chairman of the board of Russia's Central Bank. He speaks about the priorities in his work on this post. Confirming his readiness to "act within the framework of the government programme," Gerashchenko supported financial assistance to the Russian industry, easy-term crediting of socially important branches of economy and a tough financial policy with regard to other CIS member states. Gerashchenko is critical of the privatisation of state property and a possibility to achieve the convertibility of the rouble in the near future.

"The integration of the Russian economy in the world market" and foreign investments are the main ways to overcome the negative consequences of the crisis, the economic restructuring and the impending unemployment, Russian Minister of Foreign Economic Relations Petr Aven said in an interview with KRASNAYA ZVEZDA, published today.

"The restraining of entirely new market-oriented processes" is taking place in Ukraine, Volodymyr Lanovyy, recently removed from the post of Ukrainian deputy prime minister and minister of economy, said in an interview with NEZAVISIMAYA GAZETA. According to Lanovyy, his removal from the post was the result of "confrontation in the

government and difference in opinions concerning the transformation of the economy."

Newspapers continue to give wide coverage to the situation in the hotbeds of tension—Nagorno-Karabakh, the Dniester region and South Ossetia. The situation has been comparatively calm in the Dniester region since the signing of the Russian-Moldovan agreement on the settlement of the Dniester conflict. However, genuine peace will not be that easy to establish, NEZAVISIMAYA GAZETA believes. The stand assumed by the leaders of the Dniester region, who intend to implement only those items of the agreement which suit them, "may finally bury the newly emerged hope."

In the opinion of NEZAVISIMAYA GAZETA, the situation in the Dniester region resembles, in a way, that in South Ossetia. On the one hand, a major headway has been achieved, and fighting stopped in the area thanks to the participation of the peace-keeping force. On the other hand, according to the newspaper, problems may emerge at the time, when "the truce ceases to be the final objective in the talks on South Ossetia's status." Its population supports the unification with Russia, but Georgia would never agree to it. "The Shevardnadze regime is close and understandable enough for the Russian authorities to turn it into a target of the hurt national feelings of Georgians." This is why, if the Tskhinvali authorities continue to insist that they want independence from Georgia, Russian troops may leave South Ossetia.

The main success of the Russian foreign policy lies in the sphere of disarmament, says the result of a public opinion poll, conducted by the VP service. It polled 500 heads of executive authorities, political parties, military command and other Russian structures. NEZAVISIMAYA GAZETA carries the results of the public opinion poll and a commentary.

Lieutenant General Vadim Kirpichenko, former head of the USSR secret intelligence service and now head of a group of consultants at the office of the Russian Intelligence Service, has given an interview to KRASNAYA ZVEZDA, which deals with the training of secret agents and their work. Touching upon current activities of the intelligence service, he pointed out that "Russia is not increasing its intelligence potential. We have no global strategy now, like the one we had before. We are leaving some countries which are of secondary importance to us, but we shall continue our activities in the regions where our services are needed by our country."

RABOK'HAYA TRIBUNA strongly criticises the work of the RF [Russian Federation]-Politika research centre which, according to the newspaper, is being financed from the government budget and backed by Secretary of State Gennadiy Burbulis. According to the newspaper, the purpose of the research conducted by the centre is to "distract the attention of the public from the catastrophic policy of the incumbent leadership."

INTERFAX 'Trade & Investment' Headline News
OW2307225092

[Editorial Report] Moscow INTERFAX in English, received via Tokyo KYODO at 1910 GMT on 23 July, transmits its 24 July "Trade & Investment" feature. Within the "Headline News" section of the weekly feature, INTERFAX carries 13 reports, the highlights of which include the following:

INTERFAX runs a 180-word report on President Boris Yeltsin's signing on 18 July a decree on establishing a customs border between Russia and those ex-Soviet republics that have not acceded to the agreement on customs policy. The decree instructs the government to remove customs barriers and other obstacles to the free movement of "goods, services, labor and capital" between Russia and the republics that have signed the agreement. It points out that relations with ex-Soviet republics that are not members of the CIS will be based on the principles of international law and that after 1 October 1992 the same approach will be adopted with respect to those CIS members that will not have signed the agreement on customs policy. The report adds that Yeltsin has requested that the government present within a month its proposals on where to draw Russia's borders with Azerbaijan, Estonia, Latvia, and Lithuania—borders that will be temporarily guarded by border guards being withdrawn from these republics and by Interior Ministry troops.

A 90-word report states that Russia's Amur region and China's Heilongjiang Province will establish "direct air links before the end of the year," will take steps to improve the functioning of customs and border guard posts along their common border, and will establish trade missions in Blagoveshchensk and Harbin.

The "Trade & Investment" feature also carries a 100-word report that discloses that the lifting of tight government controls over oil exports, coupled with a lack of experience in the area of foreign trade on the part of oil producers, has resulted in Russia's losing an estimated \$1 billion in oil revenues a year.

The "Headline News" section also runs a 165-word report in which a government official stresses that in the upcoming years, Kazakhstan will need to import cereals, sugar, vegetable oil, and tobacco. He states that 70,000-90,000 tons of sugar are produced in Kazakhstan each year, which covers about 12 percent of the republic's demand; that in recent years, the area of land cultivating sugar beets has increased by 80 percent (mostly in the northern, eastern and central regions) to reach 83,000 hectares; and that to "fully satisfy the demand," land cultivating sugar beets must increase by 400 percent, which is unlikely to happen. The official adds that in 1991, about 100,000 tonnes of vegetable oil was produced in Kazakhstan, which was one half of what was needed; for self-sufficiency, Kazakhstan need to increase land cultivating oil-bearing crops to increase 130 percent, to 825,000 hectares. Finally, he announces that

tobacco crops have decreased since last year and now stand at 2,800 hectares, "which fulfills only 20 percent of Kazakhstan's demand."

Finally, the "Trade & Investment" feature carries a 130-word report that Azerbaijan is paying about \$4 million to print in France the first lot of the its national

currency—the manat. According to the National Bank of Azerbaijan, the report adds, 1 manat will at first be worth 10 rubles. Government officials add, the report says, that the currency is being introduced because of expectations that Russia will introduce its own currency and as a means to end cash shortages, which currently totals 2 billion rubles.

International Affairs

Yeltsin Approves Draft Treaty With Bulgaria

OW2307130192 Moscow INTERFAX in English
1232 GMT 23 Jul 92

[Report by diplomatic correspondents A. Borodin, A. Pershin, and Igor Porshnev and others from "Diplomatic Panorama"; transmitted via KYODO]

[Text] President Boris Yeltsin has approved a draft treaty on friendly relations and cooperation with Bulgaria submitted to him by Russia's Foreign Ministry. The draft was coordinated with Bulgarian officials. The President issued a decree to allow the Foreign Ministry to make minor amendments and addenda to the document in the course of further negotiations with Bulgaria.

Under the draft Moscow and Sofia are to build bilateral relations on the basis of generally accepted principles of equality, partnership and neighborliness.

Russia and Bulgaria will enter into contact with every emergence of developments that pose a threat or are capable of aggravating the situation in the world, particularly in Europe and the Black Sea area, for the purpose of conducting consultations and taking steps to resolve the contingency.

The draft provides for exchanges of information in the area of converting military production. Particular attention will be paid to the efforts to ensure ecological protection for the Black Sea, with the inclusion of coordinated initiatives.

The two sides pledge to guarantee the rights of Russian citizens permanently living in Bulgaria and those of Bulgars living in Russia in terms of protecting and developing ethnic, linguistic, cultural and religious specificities.

Besides, Russia and Bulgaria will pledge to take care of cultural and historic monuments and soldiers' graves located on each other's soil.

The two countries will also promote cooperation in combating organized crime, terrorism and drug trafficking.

Kozyrev Returns to Moscow From Far East Tour

LD2307213492 Moscow ITAR-TASS in English
2046 GMT 23 Jul 92

[By ITAR-TASS correspondent Georgiy Shmelev]

[Text] Moscow July 23 TASS—Russia is strengthening its ties with the East, which is shown, specifically, by contacts with ASEAN countries, said Russian Foreign Minister Andrey Kozyrev. He returned to Moscow on Thursday evening [23 July] from Krasnoyarsk, Siberia.

During a trip, Kozyrev visited Tashkent where he participated in a meeting of foreign ministers, defence

ministers and the command of the joint armed forces of the Commonwealth of Independent States on problems of training and using peace-keeping forces in zones of conflicts in the territory of the former USSR.

The Russian minister also visited Petropavlovsk-Kamchatskiy, the Russian outpost in the north of the Far East, and the Philippine capital Manila where he attended a conference of the Association of Southeast Asian Nations (ASEAN) as guest. After Manila, Kozyrev visited Krasnoyarsk where he, specifically, discussed conversion of the defence industry facilities to civilian uses.

On board plane on the way back to Moscow, Kozyrev, answering a question from ITAR-TASS, said that during the negotiations with representatives of ASEAN countries in Manila, the sides proclaimed the readiness to develop cooperation in various areas, first of all in the economy. "We attach much importance to contacts with ASEAN", the Russian minister said. "We regard orientation at the East as a correct, sensible policy".

"Our eastern policy will be fully realized after Russian President Boris Yeltsin's forthcoming visit to Japan and South Korea. It will then become weighty and irreversible", Kozyrev said. After visiting Manila and meeting there with Chinese Foreign Minister Qian Qichen, Kozyrev intends to recommend to the Russian president to make a visit to China before the end of the year.

Regarding the Spratly archipelago which is claimed by a number of East Asian countries, Kozyrev said he does not see the need to raise this matter at the United Nations Security Council. "This problem concerns the region and Russia, and the states themselves wisely approach the problem, believing that it can be resolved by a peaceful way, through negotiations, through multi-lateral efforts. The territorial issue of Spratly demands much time. Before the ultimate settlement is achieved it is necessary to concentrate efforts on the development of economic cooperation between the countries concerned", he said.

Comments on East-West Policy

LD2307130892 Moscow ITAR-TASS in English
1234 GMT 23 Jul 92

[By ITAR-TASS correspondents Yuriy Khots and Georgiy Shmelev]

[Text] Krasnoyarsk July 23 TASS—Russian foreign policy should be balanced and oriented both towards the West and the East, according to Russian Foreign Minister Andrey Kozyrev who arrived in Krasnoyarsk on Thursday [23 July] en route to Moscow from Manila where he attended an Asean meeting.

The forthcoming visit of the Russian president to Japan and South Korea completes the efforts of Russian diplomacy aimed at creating a zone of good-neighbourliness and cooperation around Russia, he told a meeting of local leaders.

Russian position on the disputed Kurile Islands did not change, Kozyrev said. "In Tokyo they have for the first time spoken about a possible compromise and advance various forms and variants of it", he stressed. The Japanese believe, in particular, that Russia should at the first stage confirm its adherence to the 1956 declaration envisaging the transfer of two disputed islands, and the hand over of the islands should be agreed during negotiations. Talks should be also held on the future of the remaining two islands, the minister explained.

Siberia and the Far East should play a major role in Russian cooperation with Asian and Pacific rim countries. However, "we should not join the world community as a raw material appendage, but as an equal partner and use our advantages which no Asian and Pacific country possesses", Kozyrev said.

Commentary on ASEAN Meeting, Spratly Issue

OW2307134792 Moscow Radio Moscow in Mandarin
0600 GMT 23 Jul 92

[Commentary by station observer Melnichenko from the "Asian Affairs" program]

[Text] The foreign ministerial meeting of the Association of Southeast Asian Nations (ASEAN) ended in Manila on 22 July. Among the conveners and guests of this meeting were the representatives of all the claimants to the sovereignty of the Nansha [Spratly] Islands in the South Sea [as heard]. Our station observer Melnichenko comments on this matter as follows:

On the eve of the Manila meeting, the dispute centering around the situation in the Nansha Islands had become acute. In early April, China dispatched some troops to an uninhabited island and established a mark to show that the island was part of China. Earlier, China and a U.S. company had signed an agreement to explore for oil and natural gas in the vicinity of the Nansha Islands. These acts by Beijing had met with opposition from other countries, including Vietnam, the Philippines, Malaysia, Brunei, and Taiwan. For instance, Vietnam lodged a formal protest with China, while Philippine Foreign Minister Manglapus proposed that an international meeting be held on the claims over the Nansha Islands. These innovative viewpoints somewhat alleviated the conflicts over the issue at the Manila meeting.

Participants at the meeting, and various parties concerned [words indistinct] frankly expressed their respective stands, and [words indistinct] led to certain degree of success in tackling the problem. While China was strongly opposed to the convening of an international meeting, stressing that the sovereignty of the Nansha Islands should not be internationalized, the Chinese

foreign minister stated that it would be prepared to hold bilateral consultations with the parties concerned and proposed that various countries concerned jointly develop the islands' resources. This shows that the Chinese stand had become considerably more moderate. Manglapus was not quite happy with the views expressed by the Chinese foreign minister on the Nansha issue; however, he expressed support for the proposal to jointly develop the islands. It should be pointed out that the stand taken by these two countries might be acceptable to some extent, and this makes one feel that there is hope for settling the issue.

Under the circumstances, Vietnam is inclined to speed up its talks with China. In my opinion, Hanoi holds that territorial sovereignty is a (bilateral) issue [words indistinct]. The Vietnamese Government has invited Chinese Premier Li Peng to visit Vietnam to discuss matters of mutual concern, including the issue of the Nansha Islands. As far as I know, China has agreed to hold talks, and it has been reported that Li Peng will visit Hanoi at the end of the year.

Economic Development on Yeltsin's Japan Agenda

LD2307174292 Moscow ITAR-TASS in English
1641 GMT 23 Jul 92

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow July 23 (TASS)—A regular meeting of the state commission for the preparation of Boris Yeltsin's visit to Japan, held in the Kremlin on Thursday [23 July], concentrated on a programme of the economic development of the Far East in the context of Russo-Japanese relations. Gennady Burbulis, head of the commission, state secretary under the Russian president, told ITAR-TASS upon the conclusion of the meeting.

He said that a presidential decree and a governmental resolution will be worked out on the results of the debate. They will formulate the state programme for the development of the Far East creating more prerequisites for foreign partners, including Japanese businessmen.

Answering questions from Russian and Japanese journalists, Burbulis said that the intensification of Russo-Japanese economic cooperation is "a substantial condition for advance towards resolving a territorial issue."

The state secretary said that the Russian leadership will be ready to formulate in the weeks ahead its approach to this problem, including a clear-cut programme, concrete stages, and prospects for the solution, based above all on the interests of the population of the Kuril Islands, as well as on Russia's obligations to keep within norms of international law and of a democratic power. Burbulis said part of the programme will be published before Boris Yeltsin's visit to Japan planned for September.

Burbulis said the Russian leadership refuses to put off the solution of the territorial problem between Russia and Japan for long and is not going to waive the right and

refuse the responsibility to decide it in an appropriate way. "At the same time, we would not like to look as rash politicians in pursuit of superficial effects and ignoring Russia's profound strategic interests," he said.

Asked if Russia intends to recognise Japan's juridical right to the contended islands, Burbulis said the Russian side considers "a number of terms in the combination of which this may look juridically correct, politically appropriate and economically promising."

Official Denies 'Secret Talks' With Japan

PM2407083792 Moscow IZVESTIYA in Russian
24 Jul 92 Morning Edition p 5

[Report by Gennadiy Charodeyev: "Kunadze Denies Rumors of Secret Talks With Japan"]

[Text] Neither the Russian Government nor the Foreign Ministry are conducting any secret talks or preparing secret treaties regarding the transfer of the South Kurils to Japan, Georgiy Kunadze, deputy foreign minister, said during a meeting with journalists.

He said that intensive business contacts are continuing with the Japanese at all levels to prepare and sign a peace treaty. To date, the text of the treaty has largely been agreed. It only remains to reach agreement on the problem of "territorial demarcation between the two countries," Kunadze said carefully. At this juncture the diplomat stressed that Russia will only sign a peace treaty with Japan within the framework of existing agreements and the prevailing legal, political, and political-psychological realities. As a state that has proclaimed laws and justice to be the basis of its policy, Russia is unable to adopt an obstructionist policy, that is, take the path that Soviet diplomacy took for many decades. "Public opinion will be taken into consideration without fail in Russia when resolving the territorial issue," the deputy foreign minister noted.

Kunadze said that Moscow is studying closely the Japanese proposals for a solution to the territorial problem that were recently made public. Our Foreign Ministry will shortly propose its own scenarios for both an interim and a definitive solution to the Russian-Japanese territorial dispute.

The high-ranking diplomat urged representatives of various political parties and movements not to turn the question of the talks with Tokyo into a means of domestic political struggle "amid the heat of which the subject of the talks itself becomes unimportant." Russia's national interest undoubtedly lies in reaching a definitive settlement to the postwar problems in the East, Kunadze said.

Japanese Minister Calls Russia 'Thieving Cat'

LD2407062892 Moscow ITAR-TASS World Service
in Russian 0405 GMT 24 Jul 92

[By ITAR-TASS correspondent Vasilii Golovnin]

[Text] Tokyo, 24 Jul—Home Affairs Minister Masajuro Shiokawa, who has joined the campaign of public attacks against Moscow over the South Kurils, which is now growing in the country's conservative circles, has called Russia "a little thieving cat." Speaking at a prelection meeting in the town of Io, he stated with unusual harshness that "Russia has whipped our northern territories like a little thieving cat steals a piece of dried fish."

The 70-year-old minister, who also heads the commission on public security matters, also directed other accusations at his neighboring country, stressing that "just like before," it "is keeping its troops in the three Baltic states, and it has become the reason for the internal conflicts in Azerbaijan and Yugoslavia." Shiokawa did not give any reasons for maintaining such surprising assertions; he did state, however, that "until all that changes, we cannot have anything to do with Russia."

Responding to a question from an ITAR-TASS correspondent, the staff of the minister's secretariat reported that "they could not say anything" about the statements made by their boss on 21 July since "they had not heard the speech." At the same time, the "MAINICHI" newspaper correspondent who was in Io confirmed to ITAR-TASS that Shiokawa did make those exact accusations.

The minister's harsh anti-Russian statements come in the wake of a series of statements by Shin Kanemaru, deputy chairman of the ruling Liberal Democratic Party and one of the most influential political figures in Japan, who repeatedly criticized Russia's stand on the South Kurils in public last month, accusing her of "lies" and of violations of the accords reached. In the course of the current election campaign for the parliament's upper chamber, attacks on Moscow have become commonplace in the speeches of candidates from a number of right-wing and conservative groups, which are demanding that economic ties with Russia be frozen until she returns the "Northern Territories."

Radio Observer Views Kuril Island Issue

LD2407085592 Moscow Mayak Radio Network
in Russian 1230 GMT 23 Jul 92

[Text] Our observer Andrey Ptashnikov will tell you about an important report from Tokyo. Correct?

[Ptashnikov] Yes, the report is very important and interesting indeed. It comes from the KYODO news agency. According to the report, Ishihara, deputy chief secretary of the Japanese Cabinet of Ministers, said today that Japan confirms its jurisdiction over all the four islands of the southern Kurils and that this is a most

important prerequisite for concluding a Japanese-Russian peace treaty. At the same time, Ishihara said the ways and time limits for carrying out the transfer of the islands are a subject of bilateral talks. What is behind this statement? I will ask my colleague observer Viktor Levin to help me understand it.

[Levin] The statement that you have just read has something in common with a pronouncement made by Japanese Prime Minister Miyazawa some days earlier, and it seems to me that the tone of Miyazawa's statement, to a certain degree, had a milestone or watershed ring to it with regard to Japan's approach to the problem of the northern territories, as they call them, or the South Kurils, as we call them. The thing is that until recently, the Japanese Government obviously used to stick to a policy of shaking a stick toward Russia. The Japanese Government used to say that until Russia gives us back four islands—or at least two of them—no economic aid could be considered, and the peace treaty could hardly be signed in such a situation until the territorial problem is solved.

[Ptashnikov] Incidentally, Viktor Nikolayevich, as far as I know, it was precisely this position that Japan took during the recent Munich G-7 summit.

[Levin] Absolutely right. Even later, during the bilateral meeting between deputy foreign ministers held in Tokyo last week, the same position was prepared by the entire atmosphere. At that time, Kanemaru, an eminence grise as he is called, a very influential person within the ruling Liberal Democratic Party, put it bluntly that if Russia does not give back the islands, it will not get a single yen and, on the whole, Japan would have nothing to talk about. But it seems to me that the Japanese have understood, after all, that this is not the way to talk with Russia. This problem should be approached most delicately. To pressure Russia is the worst and most unsuitable method. So it seems to me that after shaking the stick, the Japanese decided to change the tactics a little bit and have started offering us a carrot. Miyazawa has said: All you should do is only to admit that the islands belong to us, to Japan, whereas a decision on time limits for their transfer will be made separately. In such a situation a peace treaty is possible, and if the peace treaty is signed, a possibility of receiving Japanese economic aid appears to be forthcoming, but again, from my point of view, the carrot is dry and hardly digestible at all. To recognize Japan's right to the islands today would mean to actually renounce them, and then it is of little importance whether they will get them in a year, in 10 or 15 years. In my view, we cannot solve this issue today. Russian public opinion is, on the whole, very unequivocal. The majority believes that it is our territory and we cannot give it up, and this toughening corresponds to the existing situation.

[Ptashnikov] Viktor Nikolayevich, would you agree, however, that Japan's adamant position, in my view, puts President Yeltsin himself in a very delicate and complex situation?

[Levin] He has only one solution: to take a similarly adamant position, since there simply can be no other.

[Ptashnikov] Well then, as far as I understand, talks, and in general the possibility of concluding a Russian-Japanese treaty, are very illusory.

[Levin] You know, I think that if the territorial problem is left aside—we recognize its existence but we cannot solve it today. If the Japanese wish to have the same shaky, uncertain, and unsettled relations with Russia in the future—and they will remain the same without a peace treaty—well, it takes two to tango. If they do not want it, that is their business, but Russia cannot adopt a decision that would fully answer the interests of the Japanese. This decision should meet Russia's interests, too; it should be acceptable to the Russians.

Kokoshin, Dubynin on Strategic Forces in Byelarus

*LD2307201492 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 23 Jul 92*

[From the "Novosti" newscast]

[Text] [First Deputy Defense Minister Kokoshin, in progress] ...the agreement between Russia and Byelarus on coordination of activities in the military sphere forms the basis, and there is a whole package of military documents on the military issues, among which I should certainly single out the agreement on the strategic forces that are temporarily deployed on the territory of the Republic of Byelarus.

[Dubynin, first deputy defense minister and head of General Staff] This agreement enables the Russian Federation to take under its jurisdiction the strategic forces which are based on the territory of the Republic of Byelarus. We have also agreed that Russia and the General Staff will exercise direct control—naturally, in interaction with the Byelarus Ministry of Defense. The financing and maintenance of all the strategic forces will also be done at the expense of the Russian Federation. This agreement enables us to plan, to draw the timetable for the transportation, withdrawal of the forces and weapons of the nuclear forces into the territory of the Russian Federation with the view of subsequently destroying or perfecting them on the territory of Russia. In other words, we can now plan this for the transitional period and implement the CIS treaty in practice.

[Kokoshin] I believe that in a way this could be taken as an example for solving the problems of the strategic forces with other states of the former USSR on whose territories these strategic forces and weapons are now situated.

Accord With Latvia Offers Financial Ties

MK2307112092 Moscow NEZAVISIMAYA GAZETA
in Russian 23 Jul 92 p 3

[Report by Vitaliy Portnikov under the "Diplomacy" rubric: "Gaydar and Godmanis Reach Agreement. Latvian Premier Urges Russians To Support Reform Course"]

[Text] At the President Hotel, Latvian Prime Minister Ivars Godmanis and Russian Federation Acting Prime Minister Yegor Gaydar have signed in the an agreement on their governments' actions in connection with the introduction of the Latvian ruble as the only monetary unit in Latvia. Under this agreement banks of both countries will operate jointly, opening special correspondent accounts, and all transactions between Latvia and Russia will be conducted via these accounts. It also takes into consideration financial support for the troops under Russian jurisdiction stationed on Latvian territory. To all appearances, the premiers succeeded in reaching agreement in earnest, so that Ivars Godmanis urged Russians to support the reform course of the Gaydar government, which he described as a cabinet at the forefront. "This is a marathon which we must sustain," the Latvian premier emphasized. Voicing satisfaction with the results of the talks, Yegor Gaydar pointed out that the present difficult time must not be used by demagogues and adventurers to divide our peoples. In the opinion of the Russian head of government, the talks provide a good basis for the civilized restructuring of relations in the financial sphere.

According to reports by Russian Deputy Foreign Minister Vitaliy Churkin, in these talks Yegor Gaydar drew the Latvian side's attention to the well-known Russian Federation Supreme Soviet statement on human rights in the Baltic countries. According to a report by the deputy minister, the discussion that took place was quite constructive: Ivars Godmanis gave an assurance that Latvia will abide by all international standards in these questions. The Latvian leadership agreed to support the Russian Federation's proposal to institute a high commissioner for ethnic minorities' affairs in the Council of Baltic States, which unites the FRG, Russia, Poland, and the Scandinavian and Baltic countries (a similar institution had been set up earlier under the CSCE). To all appearances, the decision on the future of the Russian troops in Latvia will be all-embracing and, to use Vitaliy Churkin's expression, a "package," i.e. the accord which is being prepared by permanent delegations of both countries will include all problems connected with the troop withdrawal, the servicemen's social protection, and the fate of army property.

Legal Aid Agreement Signed With Lithuania

LD2307171792 Moscow Russian Television Network
in Russian 1000 GMT 23 Jul 92

[From the "Vesti" newscast]

[Text] Lithuania and Russia have concluded a legal aid agreement. Lithuania attaches special importance to the agreement because the agreement will allow it to look on Russian territory for those responsible for the illegal actions taken by Soviet servicemen in Vilnius in January last year.

Security Ministry Details Special Service Treaty

LD2307194492 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 23 Jul 92

[Report by A. Lutskey from Moscow; from the "Novosti" newscast]

[Text] A briefing devoted to the conclusion of treaties between special services of Russia and neighboring countries was held today at the Security Ministry of the Russian Federation. Officials of permanent representations of CIS countries were invited to the briefing. The agreements with the state security bodies of Kazakhstan, Byelarus, Uzbekistan, and Ukraine have already been signed. Texts of treaties with special services of other republics of the former USSR have also been prepared. According to the agreements, the parties take upon themselves obligations to inform each other about facts of subversive activities against a partner's country. Mutual exchange of urgent information is envisaged providing no work is undertaken to the detriment of each other. A joint operation of the state security bodies of Russia and Kazakhstan to stop illegal export of a large batch of brass was given as an example.

'Great Importance' Attached to Indian Relations

OW2307130292 Moscow INTERFAX in English
1232 GMT 23 Jul 92

[Report by diplomatic correspondents A. Borodin, A. Pershin, and Igor Porshnev and others from "Diplomatic Panorama"; transmitted via KYODO]

[Text] Russian diplomacy attaches great importance to relations with India, said the Russian President's State Secretary Gennadiy Burbulis.

On Wednesday, July 22, he conferred with the Indian Ambassador to Moscow Alfred Gonsalves and discussed with him some problems in bilateral relations, such as the implementation of agreements concerning military-technical cooperation.

Since he went to Delhi for an official visit last spring G. Burbulis has paid close attention to ties with India, said a prominent member of Russia's Foreign Ministry who monitors relations with India.

In an interview with DP's [Diplomatic Panorama] correspondent the diplomat said that the Russian President's State Secretary presided over several conferences at which experts discussed problems in the relationship between Russia and India.

According to the diplomat, solutions have been found to many problems, particularly to those connected with scientific, technical, trade and economic cooperation.

Nevertheless problems continue to exist in relations between Russia and India which "have a long history and good prospects". "The most painful" of them is the need to fix a mutually acceptable rate of ruble-rupee exchange. Experts from the two countries are working on this now.

The diplomat said he hopes that the official visit to Delhi by Russia's President Boris Yeltsin planned at his meeting with India's Prime Minister Narasimha Rao in New York will be conducive to resolving the remaining problems and stimulating the development of bilateral ties.

The exact time for B. Yeltsin's trip to India is to be fixed yet. However the diplomat believes that the visit might take place at the end of this year.

Program on Military Relations With UK Adopted

LD2407082692 Moscow *ITAR-TASS in English*
0549 GMT 24 Jul 92

[By *ITAR-TASS* correspondent Vladimir Voronov]

[Text] London July 24 TASS—Russia and Great Britain will adopt a programme of developing military relations by the end of the year, according to a joint statement by British Defence Secretary Malcolm Rifkind and his visiting Russian counterpart Pavel Grachev.

The document signed on Thursday [23 July] envisages cooperation in further cuts in armed forces and armaments and their reduction to a minimal sufficient level. The ministers also agreed to enhance non-proliferation of weapons of mass destruction. Russia and Great Britain will cooperate in strengthening control over the ban on designing and production of bacteriological weapons and over their elimination.

The sides agreed to exchange opinions on the management of armed forces, cooperate in retraining of military personnel, exchange students of military academies.

The Russian and British military headquarters will exchange delegations this autumn and Rifkind will visit Russia early in 1993 to discuss further contacts.

Military Intervention in Yugoslavia Viewed

PM2407123992 Moscow *KRASNAYA ZVEZDA*
in Russian 23 Jul 92 p 3

[Report by Sergey Sidorov: "Panic's Mission. Hundred Days to Aggression?"]

[Excerpts] The commanders and crews of the ships of the U.S. Sixth Fleet received the following cable recently: "This is Milan Panic in Los Angeles, the Yugoslav prime

minister. As I fly over you, I ask you to pray for me since my mission is a mission of peace for Yugoslavia and for you."

After paying brief visits to Paris and Rome, Milan Panic heard what he wanted. French President Mitterrand and [Italian] Foreign Minister Vincenzo Scotti assured the Yugoslav premier of their support for his plan to restore peace in Bosnia-Herzegovina. He was told that he has 100 days to prove the sincerity of his intentions, a period which the West is accustomed to considering a "honeymoon" period between new authorities and the opposition. [passage omitted]

According to reports that the French weekly VSD has received, a secret plan for military intervention in former Yugoslavia is now being implemented. The plan envisages massive air strikes on Serbian artillery positions and the landing in Sarajevo of roughly 1,000 U.S., British, and French airborne assault troops with the task of neutralizing the Serbian snipers. Only those who have drawn up this plan know what happens once the West decides to put this scenario into practice. It is doubtful that the professional NATO military seriously expect a successful intervention in Bosnia-Herzegovina, a region that seems designed for guerrilla warfare given the nature of the area and the local Serbs' combat traditions. It is most likely a question of a show of force and blackmail.

Typically, some countries are acting as the "pioneers" in the anti-Serb armed action, calling up associations with the distant and recent past. Thus, Austria and Hungary have backed Croatia's request for the UN Security Council to intervene in Bosnia-Herzegovina, whereas most of its members have shown restraint. Germany is eager for an all-out blockade on Yugoslavia, which would be an act of aggression. God alone knows whether reason will gain the upper hand or insanity will prevail. Milan Panic obviously had reason for asking U.S. seamen to pray for the success of his mission.

Use of IMF Money for Agriculture Reported

PM2307133992 Moscow *ROSSIYSKAYA GAZETA*
in Russian 23 Jul 92 First Edition p 3

[AEN report: "Who Will Spend the Billion"]

[Text] The fate of the \$1 billion allocated by the IMF and intended for the agrarian sector of the Russian economy looks extremely uncertain.

The fulfillment of programs like the creation of a network of technical services for private farmers, the elite seed growing, or dairy stockraising program can hardly be regarded as a serious likelihood. It is absolutely unclear too who will spend the IMF's \$1 billion—the Russian Ministry of Agriculture or Vice Premier Aleksandr Rutskoy, who is responsible for agriculture. Russian Federation Agricultural Minister Viktor Khlystun believes that the funds should be channeled into the creation of banks specializing in agriculture.

Navy Aide on Selling Warships to Third World

PM2407122592 Moscow IZVESTIYA in Russian
16 Jul 92 Morning Edition p 3

[Report by Vyacheslav Kocherov: "Russian Warships 'Sail' Abroad"]

[Text] Foreign news agencies report that the Russian Navy intends to sell more than 60 fighting ships to "Third World" countries this year.

"The figure is extremely exaggerated," Rear Admiral Leonid Belyshev, acting chief of navy shipbuilding and armaments told me. "In reality we are offering for sale only two small antisubmarine ships, two fast-attack crafts, two patrol crafts, one minesweeper, and one diesel submarine."

Similar ships designed for export, in the admiral's words, are stated in the plans for subsequent years as well. At the same time, Russia is prepared to significantly increase the scale of their production, both because today many countries are displaying interest in Russia's combat technology—including the highly developed countries—and because otherwise, Belyshev believes, the Navy's shipbuilding industry cannot be preserved. This constitutes a purpose-built system of plants which is already in place. After all, unlike NATO countries, where, for instance, diesel submarines are built by Britain, the FRG, or the Scandinavian countries, and aircraft carriers and other major ships by the United States, Russia builds ships in its own dockyards.

These include the Admiralty Dockyard, the Northern Dockyard, and the Almaz shipbuilding association in St. Petersburg, the Lenin Komsomol Plant in Komsomolsk-na-Amur, Krasnoye Sormovo in Nizhniy Novgorod, the Baltic Yantar plant in Kaliningrad, Zelenodolsk's Gorkiy Shipbuilding Plant, and the Severodvinsk and Khabarovsk plants.

There are more than 20 ships and auxiliary vessels in varying degrees of readiness in Ukrainian shipbuilding plants, but so far it is not known how their fate will be decided.

The export of warships, in Belyshev's opinion, will help support the Russian shipbuilding industry. The funds generated by the sale of these ships will help to significantly soften the blow of conversion measures, especially given the current scale of these measures. In 1992 100-percent conversion is planned for some navy enterprises and an average of 60-70 percent for the rest.

In this connection seamen have been forced to halt completion of somewhere in the order of 27-29 ships of a wide range of classes.

It is believed in the Navy Main Staff that ships which are 15-percent or more complete should not be subject to recycling; it is not profitable. Work on them should be finished, and only then should it be decided whether we should keep them for ourselves or export them.

The traditional buyer of this sort of product is India, the admiral said. Earlier we sold to Poland, Romania, and some African countries—for instance, Ethiopia and Yemen—but we are working on looking for new foreign customers. Incidentally, right now an imposing delegation of Chinese naval seamen headed by Rear Admiral Zhen Ming, chief of PRC Navy shipbuilding and armament, is visiting our country. Mutually advantageous relations with Iran are being arranged.

However, deliveries to Iraq and Libya have been halted. A submarine docked in Latvia and destined for Libya will be used for other purposes.

In conversation with the admiral the suggestion that we are selling our ships at knockdown prices came up.

Our prices have indeed been below world levels, he said. However, our building costs have also always been low in comparison with the cost of building ships of a similar class in the West. In fixing export prices they proceed on the basis of their own production costs. So these prices should not be called knockdown prices, Belyshev objected. But I cannot cite specific figures.

First, they are determined by the Oboroneksport foreign trade association, he said. Second, they are fixed with each country by a separate agreement and constitute a trade secret.

All proceeds from the sale of the ships, in the admiral's words, go into the state's revenue. He fears that in the forecasts for the next few years investments in the navy shipbuilding industry will be reduced by 60-70 percent. Therefore, nothing remains but to sharply cut back on the construction of ships, but Belyshev relies on our leaders' commonsense.

German Vice Admiral on Cooperation With Navy

LD2307123592 Moscow ITAR-TASS in English
1159 GMT 23 Jul 92

[By ITAR-TASS correspondent Valeriy Biryukov]

[Text] Kaliningrad (north-west of Russia) July 23 TASS—"The time of confrontation between Russian and German Navies in the Baltic Sea is over," according to commander-in-chief of the German Fleet, Vice-Admiral Franz-Friedrich Braun, who was on a three-day visit in the Baltic Fleet. The delegation which he headed, was received by commander-in-chief of the Baltic Fleet, Admiral Vladimir Yegorov. Members of the delegation familiarized themselves with military training and everyday life of naval airmen, marines and cadets of the Kaliningrad Higher Naval College. The commander-in-chief of the Bundesmarine put to sea on a large anti-submarine ship.

"We no longer consider each other potential enemies, which made possible my visit to this earlier closed region. During my visit we discussed the possibilities of cooperation between the two fleets and the ways of

reducing the level of military danger," stressed Vice-Admiral Franz-Friedrich Braun.

Space Program Collaboration With Europe Viewed

927Q0193A Moscow IZVESTIYA in Russian
15 Jul 92 Morning Edition p 6

[Report by Sergey Leskov: "European Cosmonautics Is Changing Reference Points and Seeking Rapprochement With Russia"]

[Text] Berlin—DM [German marks] 30 million—this is the sum of Germany's investments in the Russian aerospace industry in the new fiscal year. An agreement which provides for joint work in a number of priority areas was signed in the course of a Berlin aerospace show and is, in the opinion of European experts, a turning point in the West's technology policy concerning space research.

An important conclusion of the Berlin exhibition is the fact that various paths in the coming years in the field of movement onto the foreign market, so desirable for us, await aviation and cosmonautics, by all accounts. Whereas in aircraft manufacturing a fierce struggle lies ahead for us because of the forecast decline in orders on the world market, in the space sector the prospects of Russia and the whole CIS are more propitious. A. Breitspraecher, leader of a subdivision of the major German concern Deutsche Aerospace, does not consider it necessary to conceal the dissatisfaction brewing among European industrialists and in the European Space Agency (ESA) as a result of the perennial orientation toward the American space programs. In any joint project, according to A. Breitspraecher, the United States endeavors to occupy the role of leader and does not recognize parity in principle. Cooperation on such a basis preserves the technologically dependent position of Europe on the United States, which by no means corresponds to its interests.

The Old World aspires to total autonomy and is drawing up its own programs in three key areas: rocket delivery systems, orbital stations, and reusable transport craft. Deutsche Aerospace's recently formulated package of proposals concerning closer contact in the field of cosmonautics with Russia corresponds to this policy. The proposals have been supported by German and Italian aerospace industry and also by the French Aerospatiale concern, one of the most authoritative in the field. Besides the sound technological level, Russian space industry is attracting Western specialists by its dependability and affordability.

To come right out with it, for that matter, not merely policy and considerations flattering to Russia are the reason for this. Costly space programs depend to a considerable extent on the economic well-being of the developers. At a meeting of ministers of West European countries in Munich in November, the time frame of the realization of long-term projects was not confirmed because of economic difficulties, primarily in Germany, which performs the key role in practically all common

European programs. Germany's contribution to ESA programs has declined from DM5 billion to DM1.5 billion. The adjustments affect primarily the Columbus European orbital station and the European shuttle called Hermes. The manned flight program, to which priority is attached in Europe, has found itself in danger of indefinite postponement.

What, specifically, are the joint projects with Russia in question? In an interview with IZVESTIYA correspondents, Jean-Marie Luton, director general of the ESA, singled out three prospective directions which have been agreed with the leadership of the recently formed Russian Space Agency. First of all there is the flight of three cosmonauts in the Mir orbital complex. The ESA has already formed two international groups of cosmonauts—an Italian, a Belgian, and a Frenchman and a Swede, a German, and a Spaniard. The ESA is attracted particularly by research in the "Kristall" and "Progress" modules.

In addition, the proposal concerning the incorporation of the European Columbus orbital station in the new Russian Mir-2 space complex is being discussed. The project is very interesting for us also for it would help Russian technology draw closer to world standards. After all, Columbus, which has a payload of 5 tonnes, is a key component of the American Freedom station.

Finally, the third direction concerns joint work in the field of transport systems and presupposes the incorporation of the reusable Hermes craft in the Russian Molniya program. With regard for the fact that our Buran is stuck on the launch pad, it is for us a very tempting proposal. Yu. Glazkov, deputy chief of the Cosmonaut Training Center, and cosmonaut A. Volkov had an opportunity at the ESA's Berlin pavilion, incidentally, to practice "control" of the Hermes model and gave the craft high marks.

Finally, it might seem to some people that cooperation with Europe, although commercially profitable, would not enrich us space pioneers technologically. Unfortunately the times when we held the lead in cosmonautics are long gone. Today, when all the developed countries are devoting increased attention to this sphere, only active international cooperation will help Russia and the CIS as a whole remain in the saddle and not end up in the "space" backwaters.

Afghan Prime Minister on Kabul Situation

PM2407093992 Moscow IZVESTIYA in Russian
21 Jul 92 Morning Edition p 5

[RIA correspondent Andrey Pravov report: "Victory in Holy War Has Not Brought Peace to Afghans"]

[Excerpts] Kabul—Over the last 24 hours Kabul has once again been the scene of fighting: On orders from the authorities all armed formations that have nothing to do with the army and the newly created security service are to leave the city. However, many gunmen clearly have no

intention of leaving. They are offering resistance and refusing to yield the positions they have taken. From the Russian Embassy you can see black columns of smoke rising from shell bursts over nearby apartment complexes. [passage omitted]

'Abdol Sabur Farid, Afghanistan's new prime minister, who addressed a news conference in Kabul a few days ago, indicated that the "mopping-up operations" in the capital will continue until order is restored in the city. He stressed that the authorities intend to ensure the total safety of the city's residents. "If any of these residents are left alive by the end of the 'operations'," a journalist sitting next to me whispered in my ear.

Correspondents raised the question, *inter alia*, of who will compensate Afghanistan for the damage inflicted during the war years. The Afghan journalist who raised the question said that the former Soviet Union is mainly responsible for this damage, but that country no longer exists; it has broken into 15 states, and it is not clear what is to happen in that case. Farid replied that, in his view, all the new independent states that formed as a result of the breakup of the USSR should contribute to damage compensation.

There was no mention of any reparations. By and large there is every indication that the new Kabul authorities have adopted the idea that the peoples of Afghanistan and Russia are to an equal extent victims of the previous totalitarian system in the USSR, although Moscow should also provide Kabul with more economic aid.

The popularity of this idea was once again borne out by the discussion that I had straight after the news conference with one of the prime minister's guards. The guard said that he fought against Soviet soldiers for several years. He even showed me his assault rifle that he obtained in combat. The wooden part of the rifle bears the word "Gomel" written in pen.

The mujahedin is sincerely convinced that it has won and it is very proud of it. Indulgent smiles can often be seen on the lips of the bearded armed men you talk to in the city. Most of them clearly have no intention of "settling any scores" with the Russians.

Commentary on South African Situation

MB2407110092 Moscow Radio Moscow in Afrikaans
1700 GMT 23 Jul 92

[Commentary by Ludvinov, read by annou, cer]

[Text] As has already been reported, UN special envoy Cyrus Vance has already arrived in South Africa on his visit. On the first day of his visit ANC [African National Congress] President Nelson Mandela was on a Middle East visit. Meanwhile, the political scuffle in South Africa is in the process of escalating. Our commentator Aleksey Ludvinov has written the following:

In my opinion, both the warring groups in South Africa, basically the white government against the biggest black organization, the ANC, are undoubtedly striving for a twist in the country's true historical epoch. The series of foreign visits undertaken by both South African President F.W. de Klerk and ANC President Nelson Mandela recently, confirms this.

While F.W. de Klerk stresses drastic changes in South Africa's economic situation, and at the same time tries to break down the last bastions of international isolation, his opponent's task appears to be the direct opposite. The ANC is attempting—and not without success—to maintain partial sanctions against Pretoria. In order to enhance its prestige domestically as best it can, the ANC is engaged in organizing a national protest on the home front. These are the logistics of the political battle and to try to assess who is right and who is wrong in this situation would be an exercise in futility.

The government and the ANC have divergent perceptions of the basic principles of democracy. They also view the future of their country in differing ways. The common denominator between them is the end result of the negotiation process—the handing over of power to the black majority, or the sharing of power. The ANC's position and its international popularity can be seen in Mr. Mandela's most recent visit to Saudi Arabia and Iran. According to international news agencies, Mr. Mandela did not only get diplomatic and political support there, but also a measure of financial aid.

One's attention also gets drawn to the fact that the ANC's closest ally, the South African Communist Party, has invited the Chinese Communist Party to South Africa. The antiracial movement in South Africa is possibly, due to events in the former USSR, in the process of securing its second most important ally of the past, by making overtures to the Peoples' Republic of China.

Meanwhile, the South African Government, which was not intimidated by the arrival of Cyrus Vance, showed its fangs; hundreds of participants in the ANC's resistance campaign were arrested over the past few days. Moreover, the arrests took place on the same day that the De Klerk government outlined its position on the political violence in the country and the prospects of Codesa [Convention for a Democratic South Africa], to Mr. Vance.

Tension within the South African community is increasing. Of course, the UN special envoy's 10-day mission will bring the situation under control for a while, but a lot will depend on the conclusions he arrives at, and on what he will later table to the UN Security Council. One must also not forget, however, that the apex of confrontation still lies ahead. I believe the climax will be reached during the national strike planned for 3 August. I would imagine that the South African Administration has already clearly determined for itself the concessions and limits it will allow. In my opinion, the

ANC will probably resort to conciliatory action; otherwise, and I do not even have to say it, the prediction of a renowned South African political scientist, Wim Booysse, will materialize. He predicted that if the warring parties do not resume negotiations by October, a civil war awaits the country.

I am not sure how limited the civil war will be, especially when one considers the fact that most of the radical organizations on either side of the political spectrum will not stay out of the struggle.

Federation Affairs

Political Issues

Yeltsin 'Will Not Submit' Own Constitution

LD2407081892 Moscow *ITAR-TASS in English*
0752 GMT 24 Jul 92

[By *ITAR-TASS* parliamentary correspondent Aleksey Tabachnikov]

[Text] Moscow July 24 TASS—Russian President Boris Yeltsin will not submit his own variant of the national constitution during a meeting of the Constitutional Commission which he will chair on July 29, TASS learned from sources in the Commission on Friday [24 July].

Yeltsin will offer several amendments to the draft approved by the latest Congress of Russian People's Deputies.

Bochin Appointed Antimonopoly Committee Head

PM2307160192 Moscow *ROSSIYSKIYE VESTI*
in Russian 23 Jul 92 p 1

[“Own Information” report under the “Appointments” column: “Results of Leadership Monopoly”]

[Text] Lately the activity of the Russian State Committee for Antimonopoly Policy and Support for New Economic Structures has been repeatedly criticized both in government circles and in the mass media.

It transpires that one reason for the committee's unsatisfactory work was the conflict between the state committee's leader, Minister V. Chernogorodskiy, and his deputies. Intervention by the Russian president was required, and he has signed a decree appointing Leonid Arnoldovich Bochin to the post of chairman of the Russian State Committee for Antimonopoly Policy and Support for New Economic Structures.

Our information: L. Bochin was born in 1949 in the city of Korosten in Zhitomir Oblast. By training he is an economist and mathematician. After graduating from Novosibirsk State University in 1971 L. Bochin worked in a research institute in the city. From 1977 he was an engineer in the North Caucasus branch of the USSR

Central Statistical Administration All-Union State Planning and Technological Institute in Krasnodar, and from 1979 senior engineer at the RSFSR Ministry of Agriculture Center for Scientific Labor Organization. While working at the USSR Ministry of Trade All-Union Market and Demand Research Institute, he defended his thesis on the problems of studying the consumer market as an external student and obtained the academic degree of candidate of economic sciences. In 1989 and 1990 he was general director of the “Razvitiye” All-Union Joint-Stock Company. Until recently he was deputy chairman of the Russian Federation State Committee for Antimonopoly Policy. He is married with a daughter.

It has been learned from informed sources that the Russian leadership is pinning great hopes for activating the implementation of economic reforms in the country on the appointment of L. Bochin to the post of state committee chairman.

Criticism of Appointment Aired

OW2307111792 Moscow *INTERFAX in English*
0954 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] The speaker of the Russian parliament's Republics Chamber Nikolay Ryabov has expressed disapproval at a press-conference in Moscow of the President's appointment of a new chairman for the State Committee on Anti-Monopoly Policies. B. Yeltsin's decree of July 20 relieved of his duties the old chairman Valeriy Chernogorodsky and appointed Leonid Bochin instead.

Commenting on that decision N. Ryabov pointed out that the Anti-Monopoly Committee is responsible to parliament which was not notified of the new candidate “of whom the Supreme Soviet has a very vague idea”.

However, Russia's Constitutional Court repealed back in May the resolution of the Supreme Soviet affiliating the committee to parliament and handed it over to the executive.

Yeltsin Names Team for Talks With Tatarstan

MK2307095092 Moscow *NEZAVISIMAYA GAZETA*
in Russian 23 Jul 92 p 2

[NEGA report: “Toward Russia's Talks with Tatarstan”]

[Text] President Boris Yeltsin has signed a decree appointing a delegation of Russian federal organs of power to conduct talks on the demarcation of powers between Russia and Tatarstan. It will be headed by State Secretary Gennadiy Burbulis. The delegation will also include Yuriy Yarov, deputy chairman of the Russian Supreme Soviet, and Minister Valeriy Tishkov, chairman of the Russian State Committee for Nationalities Policy.

Aleksandr Lozovoy, deputy chairman of the Tatarstan parliament, has declared that he considers Valeriy

Tishkov alone capable of leading the talks in the right direction. "This man knows how to think along unconventional lines and has not yet become bureaucratized in the Russian structures," A. Lozovoy declared.

Ministry for CIS Affairs Considered

PM2407074192 Moscow ROSSIYSKIYE VESTI
in Russian 23 Jul 92 p 2

[Pavel Shinkarenko report under the rubric "Plans": "Addition to Cabinet Expected. Russian Leadership Is Discussing Question of Setting Up New State Structure"]

[Text] Seemingly there is to be an addition to the ranks of Russian ministries: The country's leadership is considering the creation of a Ministry for CIS Affairs. "The idea is in the air" was presidential adviser Academician Aleksandr Granberg's evasive reply to my question. People in parliament are more categorical. At his meeting with Russian ambassadors to the CIS countries, Ruslan Khasbulatov bluntly stated that agreement on setting up the new ministerial post has already been reached with the president. The parliamentary speaker stressed the priority importance for Russia of establishing "normal, friendly relations" with the Commonwealth states, since "economic and human ties are all too close."

The reader may ask: Why do we need a new structure that will require additional expenditure? After all, the Foreign Ministry already has a Department of CIS Affairs headed by First Deputy Minister Fedor Shelov-Kovedyayev. There is also the Ministry of Foreign Economic Relations headed by Petr Aven. Finally, the Russian Federation State Committee for Economic Cooperation With the Commonwealth Member States, led by Vladimir Mashits, another member of the Gaydar team, was recently set up to coordinate economic links.

All that is true. However, none of these departments deals with Commonwealth problems comprehensively. And life is setting us tasks that none of these departments with "limited scope," so to speak, has had to resolve.

"Of course the Russian Foreign Ministry acted correctly in supporting through diplomatic methods the young states' desire for sovereignty and independence," Vadim Kirichenko, deputy chairman of the State Committee for Economic Cooperation, told me. "Strict observance of diplomatic protocol, honor guards when meeting leaders, exchanges of ambassadors—all this shows respect for your partner. But there is also another side to the coin—decades and sometimes centuries of life in a single state when special relations existed between peoples. These are now collapsing. The old familiar norms are being replaced by new ones that are not enshrined by any international protocol."

My interlocutor is right. Statistics show that over 25 million Russians unexpectedly found themselves outside Russia with the disintegration of the unified USSR.

Some of them have adapted to local conditions and would not want to leave familiar places. But a considerable number of Russians are now rushing toward their historical homeland, especially from interethnic conflict zones. Who is supposed to look after job placement and social protection for them? The Foreign Ministry protocol or consular service? The State Committee for Economic Cooperation? Scarcely. There is a need for a special department that would regard this work as its main job, not as a burdensome "addition" to its main duties.

The situation is similar in the economy. The Baltic countries, Byelorussia, and in the near future a number of other republics too will clearly introduce national currencies. Who will show concern for defending the honor, dignity, and ultimately savings of our compatriots who against their will find themselves abroad? The Ministry of Internal Affairs? The Central Bank of Russia? The Savings Bank? The Ministry of Finance? But their heads are reeling from internal problems.

Finally, there are the problems of culture, language, and education. These too have also been left without proper Russian state support.

In this connection, I think it is appropriate to recall that from the time of the disintegration of the British empire until recently a ministry for affairs of the Commonwealth and overseas territories existed in the London government and for almost half a century looked after the problems of its compatriots and the organization of their political, economic, and cultural links with the former mother country and historical homeland. I am sure this experience could also be useful to us.

But will the new ministry not turn out to be another bureaucratic monster? Will it be able to become an instrument capable of successfully solving the problems that have arisen with the collapse of the Union? As yet, the practice and results of the work of such state structures provide no such certainty.

Rutskoy Examines Current Political Issues

PM2307165192 Moscow IZVESTIYA in Russian
24 Jul 92 Morning Edition p 2

[Report by Georgiy Ivanov-Smolenskiy: "Aleksandr Rutskoy: Politics Does Not Preclude Humanity"]

[Text] On 22 July Russian Vice President Aleksandr Rutskoy met with correspondents of IZVESTIYA, NEZAVISIMIYAYA GAZETA, MAYAK, RIA-FOTO, and AP in the Kremlin. The meeting was held on the initiative of the Moscow Press Club and Russian-American University. At it the vice president touched on some very important questions of current and long-term Russian policy.

Concerning the Ceasefire in the Dniester Region and South Ossetia

According to Aleksandr Rutskoy, who has been most actively involved of late in the settlement of the Dniester Region and South Ossetia conflicts, the carnage in both trouble spots could have been prevented long ago if Russia had had a deliberate strategy vis-a-vis nearby foreign parts. He stressed that his tough statements about the situations in both regions during Boris Yeltsin's visit to the United States had to be made since at that moment there was a massive escalation in the violence there and world public attention had to be drawn to it somehow. The vice president expressed confidence that much could have been agreed on with Mircea Snegur during his first visit to the Dniester Region. But they would not let his aircraft land at Chisinau, because, they said, the Moldovan president was not there, which, it transpired the other day, the latter knew nothing about.

"The quadripartite talks spectacle," A. Rutskoy said, could not lead to a settlement in the Dniester Region, because they violated a most important principle—participation of both warring sides. "I am no professional diplomat and no professional politician," the vice president remarked, "but I love to listen to people and am good at it. The conversations with Snegur, Smirnov, and Marakutsa were human and frank. Humanity enables one to tackle any state problems. It was this approach that got the sides to consider significant mutual concessions."

Since the smoldering conflicts in nearby foreign parts are gradually migrating to Russian territory we cannot view them with indifference, we cannot allow these conflicts to be tackled by force. Russia was and must remain a great power, the vice president stressed. It cannot allow people "only to half listen to Russia's position," particularly when it is a matter of protecting the human rights of Russians living in other countries. But now that the killing has been suspended in the Dniester Region and South Ossetia through Russia's mediation, it is the business of the sovereign states of Moldova and Georgia to agree further on the regions' status.

Concerning The Russian Security Council

It is a constitutional organ and it certainly did not suddenly appear on the initiative of the Russian president himself, A. Rutskoy said. It came into being due to the fact that the security of the Russian state comprises a whole range of international, national economic, and organizational questions. Pretty often you get situations where they have to be resolved swiftly. Moreover, things are extremely inefficient at the moment and it often takes a month, sometimes two, for government decisions to reach the regions. "Only stupid people," A. Rutskoy believes, can dramatize the situation involving the Security Council, which is headed by the president, and compare it to the SCSE [State Committee for the State of Emergency].

On Russia's First 11 Months After the Putsch

During this time, in the vice president's opinion, democratic transformations have taken shape more clearly in society and people have learned to assess the situation, and not just blindly follow it. But democracy itself is not yet here, since that requires the equality of everyone before the law.

A. Rutskoy still considers it a mistake in the economic sphere that at the beginning of the reforms the sequence was not clearly indicated and such priorities as privatization, demonopolization, and an active investments policy were not set. Nor has it proved possible to achieve private land ownership, or to restore the peasants' faith after the disappointment over the "Harvest-90" checks. Nor have the country's technical achievements in the field of processing agricultural produce been exploited. Today, in the vice president's opinion, every possible means must be employed to explain to the people, on the one hand, the government's policy and the purpose and sequence of its steps, and, on the other, these elementary things: how to conduct privatization, where to obtain credits.

On Human Rights Violations in the Baltic Republics

In the vice president's view, the Baltic republics are exercising double standards with regard to Russia and Russians [rossiyan] living on their territory: They are depriving hundreds of thousands of people of elementary human rights, unilaterally introducing a visa entry system for which a charge is made, and at the same time becoming major exporters of nonferrous metals although they have no deposits. In this situation it would be justified and at the same time humane for Russia to adopt equivalent measures. After the introduction of their own currencies, the Baltic republics must without delay return the Russian rubles which they owe, and in settling accounts for energy sources with them we should switch from noncash payments to treasury notes with a value of between 1 and 100 million rubles. Equivalence and a reasonable approach do not mean that friendly relations should not be maintained with the republic. But they also do not mean that you do not have to take care of your own wealth and maintain your own dignity.

On the Russian Federation Supreme Soviet's Policy on the Mass Media and IZVESTIYA

Answering this question, A. Rutskoy said: "Frankly, I find it ridiculous for a newspaper to say it is somebody's organ. Every newspaper should be independent. That is, dependent, but only on its readers: If they like it they'll buy it, if not, they won't. It is ridiculous to stick a 'label' onto the title, tack on a handful of medals for effect, and hope that people will read you because of that. I have been subscribing to IZVESTIYA for 20 years. And although it often gives me a roasting, I like it. I may not accept all the criticism, but I take note of a lot of it, and the same is true of other newspapers."

Credentials of New Ambassadors Received

LD2307114392 Moscow ITAR-TASS in English
1043 GMT 23 Jul 92

[Text] Moscow July 23 TASS—Russian Vice-President Aleksandr Rutskoy received on Thursday [23 July] credentials of plenipotentiary and extraordinary ambassadors Vladimir Kryzhanovsky from Ukraine, Yusuf Abdullayev from Uzbekistan and Juan Carlos Olym from Argentina.

Russian Deputy Foreign Minister Vitaliy Churkin took part in the ceremony.

New Information Service Chief Profiled

MK2307094092 Moscow MOSKOVSKIY
KOMSOMOLET in Russian 22 Jul 92 p 2

[Unattributed report under the "Nonstop" feature: "Chief Presidential Analyst"]

[Text] Boris Yeltsin recently posted Anatoliy Rakitov, his scientific and technological adviser, to command the Information Analysis Center of the presidential administration. According to the recently appointed analyst, the "centerites," numbering approximately 80, will soon settle in on Varvarka Street and at 10 Ilinka. In the future the number of these lucid minds will be increased to 180.

Express editions of news, analyses, and recommendations will be placed on Yeltsin's desk twice a day. At the same time report notes from the Lubyanka, let us say, or from the State Committee for Emergency Situations will continue to come independently of the president's administration—an undesirable monopoly is not permitted.

The center will regularly send up information for visits and trips, digest reports by institutes or special services into analytical notes, and daily scan the electronic media as well as the ordinary press of our federation and the contiguous republics.

The center's leader himself is "a man with an interesting destiny." Anatoliy Ilich Rakitov is a balanced, smiling, and garrulous scientist and philosopher of office-academic appearance who walks the Central Committee [tsekovskiy] corridors with guides, wearing thick eyeglasses and a plain, open-necked shirt. The point is that one of the main presidential "guides" is, unfortunately, blind, and his "glasses" only help to overcome deafness.

New Government Appointments Named

LD2407102792 Moscow ITAR-TASS in English
1520 GMT 23 Jul 92

[All names as received]

[Text] Moscow July 23 TASS—The Russian Government appointed Pavel Zaidfudim deputy chairman of

the Russian State Committee on the Social and Economic Development of Northern Regions.

Mikhail Sakharov was appointed first deputy chief of the Russian Special Construction Administration and Nikolay Abroskin—deputy chief of the administration.

Kozyrev Defended Against 'Trenchant' Criticism

PM2207084192 Moscow KRASNAYA ZVEZDA
in Russian 18 Jul 92 p 2

[Commentary by observer Aleksandr Golts under the rubric "Topic of the Week": "Laocoon in Smolensk Square"]

[Text] Despite the imminence of politicians' traditional summer vacations, it would appear that there is to be no lull in international political activity. The foreign policy departments of various countries are feverishly analyzing the results of the meetings in Munich and Helsinki and the upheavals of the Yugoslav crisis. This analysis is mirrored in the pages of newspapers. Russia's position is studied in virtually all commentaries in a most thorough fashion, and forecasts are made concerning its future actions. At the same time, even while gazing into the future, the majority of observers cannot ignore the extremely trenchant criticism in our country today that is being leveled at the foreign policy department. Curiously, reports (so far denied) have appeared almost simultaneously about the possible resignation from their posts of J. Baker and A. Kozyrev. And whereas the secretary of state is tipped to be leader of G. Bush's presidential election campaign, which is proving lackluster without Baker's firm hand, circumstances are more complicated for his Russian counterpart.

The criticism of the Ministry of Foreign Affairs is such that the monumental edifice on Smolensk Square can hardly serve as the symbol of the foreign policy department's position in the Russian hierarchy of power. It seems to me that the image of the Trojan priest Laocoon fainting in battle with the snakes sent against him as a punishment by the wrathful gods now suits this role better (a small copy of this statue is situated in the Ministry of Foreign Affairs conference hall right behind the chair traditionally occupied by the minister).

So how has the Ministry of Foreign Affairs angered its opponents, among whom there are quite diverse politicians? For example, S. Stankevich and S. Baburin. What is it being criticized for? Well, for everything. For the absence of an integral concept of foreign policy priorities, for tractability before the West, for intending to "gift wrap" our missiles for Washington and "give back" the Kuril Islands to Tokyo. And also for its "drawing room diplomacy" with Chisinau, and for the weakness of the CIS in general.

In my view, it is essential to investigate how far this criticism is justified, and what sense there is in it. Let us start with the global problems. I can well understand A. Kozyrev's irritation when he calls demands to come up

with some overall foreign policy concept pure pedantry. A concept in general. Without any specific connection to the political situation. This was not difficult in the era that has just passed. When all foreign policy, whether in Europe or in Africa, amounted to performing the mission of administering our brand of barracks socialism to mankind, and also served objectives of global confrontation with the West. But now there is no confrontation, and the messianic idea has run out of steam. What now defines the foreign policy interests of the "normal great power," as they like to call Russia in the Ministry of Foreign Affairs? Obviously, as with any normal state, these interests boil down to achieving economic tasks and safeguarding security.

Today, after Washington, Munich, and Helsinki, where a new Russia appeared before the world, one that does not intend to enter into conflict with anyone, it is obvious that the topic of a military threat from the "remoter foreign parts" is at the very least not at the top of the agenda. Therefore in relations with these "remoter foreign parts" the desire to facilitate recovery from deep economic crisis is becoming the main and determining factor.

At the present time I understand that the government (and not just the Ministry of Foreign Affairs) believes that recovery is possible only via the integration of our economy into the world economy. And the only way to do this is to seek and obtain the economic and financial assistance of the outside world. It is to this end that the Ministry of Foreign Affairs' activity is subordinated today; it is this that is the chief foreign policy priority. Moreover, not just in relations with the West, but also with the Arab world and the countries of Asia.

I remind readers that U.S. foreign policy also has always been subordinate to that country's economic interests. It is simply that these interests of the United States' are today far wider and more diverse than ours. We simply have to cut our coats according to the cloth. And criticism leveled at the Ministry of Foreign Affairs, mixed with nostalgia for past imperial greatness, is plainly misdirected. If you must quarrel, it should be with the overall government concept, and not with its foreign policy consequences.

It is far more difficult to speak of relations with the former USSR republics. But here too it is impossible not to agree with the Ministry of Foreign Affairs' principled stance, because, what other method of intercourse is possible in a civilized society, other than via full-scale diplomatic relations? How can you quarrel with the concept that all conflicts must be settled round the negotiating table?

There is one problem: Life is proving to be far more complicated than this ideal scheme. To call a spade a spade, some at least of Russia's current partners have not yet matured to an understanding of the fact that basic honesty is necessary in negotiations. Otherwise, what is the sense of conducting them, if people are lying to your

face? As Chishinau did, for instance, in denying the obvious evidence of aerial bombardments of the Dniester region and the supply of arms from Romania. I understand those who are not enthusiastic about the none too diplomatic utterances of General Lebed. But it was after these trenchant words, and after the visit of A. Rutskoy, who also can hardly be counted as an over-refined diplomat, that prospects of a peaceful settlement to the conflict emerged. The actual path toward this breaking of the deadlock was worked out before this by the Russian Ministry of Foreign Affairs.

Another example: A. Kozyrev is surely right when he waxes indignant over the fact that weapons of the former Soviet Army are being handed over to national armies without interstate treaties. But he is right once again from the point of view of the ideal scheme. Not to be disingenuous, is the Ministry of Foreign Affairs capable through diplomatic notes of stopping the forceable nationalization of these weapons, which in any scenario results in bloodshed?

Whichever way you twist and turn, you have to admit that current relations between the CIS states do not at the present time lend themselves to settlement by exclusively diplomatic means. Obviously this is understood in the building on Smolensk Square, seeing that the Ministry of Foreign Affairs was quick to emerge as an active champion of creating peacekeeping forces within the CIS framework. Accomplishing this task required the convention of a conference of CIS foreign ministers and defense ministers. But such conferences cannot provide day-to-day collaboration for the solution of thousands of problems as they crop up. The solution here, in my view, is the creation of a Ministry for Commonwealth Affairs, which would operate under the aegis of the Ministry of Foreign Affairs or in close collaboration with it. Incidentally, this topic has already been reflected in the mass media.

All the same, the existing mistakes in the Ministry of Foreign Affairs' activity by no explain the vehement nature of the criticism. In the last century, when it was impossible to engage in political struggle in Russia openly, it acquired the form of a literary polemic. Today, when one circle or another in the power structures does not wish to attack the president and the government directly, it concentrates all its fire on the link which they perceive as the most vulnerable at a given moment. Only quite recently this role was fulfilled by the military department. Now it is the turn of the Ministry of Foreign Affairs.

There is no denying that A. Kozyrev's statements on the threat of a coup, delivered clearly in the heat of debate, cannot be called appropriate. The conflicts over Russia's foreign policy warn us of something else, in my view. They testify to a failure in the decisionmaking system and to the fact that a readiness to take responsibility for these decisions by no means characterizes all members of the leading team.

Incidentally, about Laocoon. The gods punished him for trying to warn the Trojans about the horse....

Economic Issues

Yeltsin Affirms Staged Fuel Price Hikes

LD2407071592 Moscow *ITAR-TASS World Service*
in Russian 0610 GMT 24 Jul 92

[By *ITAR-TASS* correspondents Lyudmila Aleksandrova and Anatoliy Petrov]

[Text] Omsk (South Siberia), 24 July—Fuel prices will have to be increased by the end of the year. They will not be completely freed, however, until the end of 1993, Boris Yeltsin reported during a meeting in Omsk (South Siberia).

The Russian president, who arrived in Omsk yesterday, visited the "Omsknefteorgsintez" production association this morning. Many people were gathered at the factory entrance and, of course, they asked primarily about prices. "We firmly told the International Monetary Fund that we will not meet its demand for the immediate freeing of prices but will do so in stages," the president noted.

By the end of this year, in Boris Yeltsin's opinion, prices will stabilize although at a high level. On the whole, the president continued, reform "is progressing with difficulty, the people are suffering, it is difficult for everyone," but he expects a stabilization in the economy and in finances in 1993.

Speaking about this year's harvest, Boris Yeltsin reported that according to forecasts it will be larger than last year—96 to 98 million tonnes. It is planned to purchase 10 million tonnes of grain abroad, as opposed to 25 million this year.

Touching on the course of land reform, Boris Yeltsin reported that the allocation of 94 billion rubles to support private farm holdings is envisioned in this year's budget. Support for private farming does not, however, mean that the collective and state farms which are working satisfactorily need to be broken up. "All types of ownership need to be supported. Let the people decide for themselves, without pressure from above," the president stressed.

Answering a question on the members of the SCSE (members of the State Committee for the State of Emergency accused of an attempted coup d'etat last August), Boris Yeltsin said that apart from Vasily Starodubtsev, who has been released during the investigation, none of the prisoners will be released temporarily. Vasily Starodubtsev, the president noted, is no Kryuchkov. He was not the organizer and he was released because he was the first to read through the 164 volumes of the case. "We decided to make the others more active in this way," he added.

Boris Yeltsin reported that criminal proceedings were being instigated—in accordance with the Constitution—against Viktor Anpilov, the leader of the Russian neo-communists, and Aleksandr Sterligov, the cochairman of the Russian National Assembly, who have called for the forcible overthrow of the legitimate authorities.

Economy Minister on Oil Prices

PM2307141392 Moscow *ROSSIYSKAYA GAZETA*
in Russian 21 Jul 92 First Edition p 3

[Sergey Seninskiy report under the "Economy" column: "Oil Price Could Rise"]

[Text] The Russian Government is not planning to free oil prices in 1992, but it seems that in the second half of the year there will be yet another oil price hike to around 3,000 rubles [R] per tonne. This was stated by Economy Minister Andrey Nechayev in an interview.

The actual sale price of a tonne of crude oil currently does not exceed R1,700-R1,900. A further price increase is being held in check by the effective demand of the principal consumers, and also by a reduction in the level of internal oil consumption that has started. The minister believes that most oil refining enterprises are currently managing to make a profit. But the prices leave very little margin.

Dates for Price Hikes Given

OW2307112092 Moscow *INTERFAX* in English
0954 GMT 23 Jul 92

[Following item transmitted via KYODO]

[Text] The prices of oil and gas in Russia will be raised before the year ends, Lev Mironov, chairman of the union of oil and gas industry workers, told IF [INTERFAX] with reference to Viktor Chernomyrdin, Russia's deputy premier in charge of the fuel and energy complex. Fuel prices are expected to increase in August or September, said L. Mironov. Oil prices are to rise to 6,600 rubles per one metric ton and make up 30% to 35% of the world prices. However they'll remain regulated.

In early 1993 fuel prices are to be brought to 70% of the level of world prices, said L. Mironov, also with reference to the leader of the fuel and energy complex. According to the trade union's estimates, the growth of fuel prices will not affect the prices of consumer goods.

Rutskoy Prefers 'Regulated Transition'

PM2307153592 Moscow *ROSSIYSKIYE VESTI*
in Russian 21 Jul 92 p 1

[Report by Sergey Gusev: "About Turn! 'If the Countryside Does Not Survive, Russia Will Not Survive Either,' Russian Trade Unions' Representatives Say at Meeting with Vice President Aleksandr Rutskoy"]

[Text] Alas, the trade union representatives from various Russian oblasts (for some reason the country's main grain-growing areas were not represented) who met in the Kremlin on 18 July were unable to obtain a sensible answer to their burning questions, questions passed on to them by labor collectives: How do we go on living and working, for what purpose, in fact, and what can we hope for in the end?

But the Russian countryside, which has been politically passive for a long time, is on the move. Ruskoy alone, he said, has received in recent days over 50 prestrike situation warnings from various regions of Russia. Harvest work is in danger of disruption.

The peasants have no money to buy and repair equipment. In many regions agricultural work is being disrupted due to the shortage of fuel and lubricants. Grain purchase prices spell disaster for farmers. It is becoming unprofitable to keep livestock, and numbers are declining catastrophically: Given a 27 percent overall decline in livestock raising, it will take at least six years to revive it. All these factors, of course, are contributing to the political activation of the peasantry. In this situation, the meeting participants said, it becomes difficult to maintain stability in the countryside.

Basically holding conservative views, the peasants blame the center and its policy of ill-conceived reforms for their problems. The corresponding reaction is to refuse to pay taxes into the state budget and to resolutely demand subsidies and the payment of debts from last year's harvest.

Seeing themselves as a kind of buffer between the policy of the center and the producers, the trade union activists were hoping to hear from the vice president what specific measures the country's leadership has in mind in order to overcome the crisis situation, aside from general declarations about intensifying the reforms, in order to "get information to the provinces." But Aleksandr Vladimirovich did not clarify the matter; he was highly uncomplimentary about the government's "Program for Deepening the Economic Reforms" and, in typically emotional style, promised to "go back to the process of regulated transition to the market."

What was he doing, saying something in the heat of the moment or trying out his own model of economic management on the public? At any rate, some of the meeting participants were obviously pleased with the idea of going back. Actually, I believe that this blatant demonstration of the "fiefdom" phenomenon in power structures can only contribute to the further intensification of centrifugal trends in the country. Considering that one of the main features of the present situation in Russia is confrontation between central and regional authorities, and in view of the peasants' conservatism and their present position, it is highly likely that they will create a coalition with local administrations in the very near future. Which, essentially, would mean a return to the era of subsistence farming and barter.

Of course, the farmers' movement, which supports the current reforms, might oppose this process. But it cannot be described as a mass phenomenon without a radical solution of the land ownership question and without all-embracing privatization in rural areas.

Gaydar Meets Tatarstan's Prime Minister

LD2207162292 Moscow *ITAR-TASS in English*
1604 GMT 22 Jul 92

[By *ITAR-TASS* correspondent Ivan Ivanov]

[Text] Moscow July 22 TASS—Russian acting Prime Minister, Yegor Gaydar, on Wednesday [22 Jul] received a delegation from Tatarstan led by Tatarstan's Prime Minister Mukhamat Sabirov.

During the talks which lasted over an hour and a half, the sides discussed practical issues common to Russia and Tatarstan economic and political interest.

After the talks Gaydar told *ITAR-TASS* that the Russian Government faced sharp economic problems, in particular, financing of conversion projects in Tatarstan, which has many defence enterprises, from the federal budget of the Russian Federation, granting long-term credits for the construction of various facilities in the interests of both Russia and Tatarstan.

Gaydar said that the Russian side declared that all these problems "are of a comprehensive character and that they should not be singled out from the general context of economic and political relations between Russia and Tatarstan."

"We believe the uncertainty of these relations is the main factor which seriously damages the economy of Tatarstan itself," Gaydar said.

"Our opponents, in general, agreed with it," Gaydar added.

According to Gaydar, both sides "agreed that strong mutual efforts aimed at regulating political relations, are the most important prerequisites for our stable economic cooperation."

Yegor Gaydar also pointed out that during the talks he said that "Russia is in no way interested in the deterioration of the situation in Tatarstan."

Shumeyko Discusses VAT, Cash Shortage

PM2307114192 Moscow *ROSSIYSKAYA GAZETA*
in Russian 23 Jul 92 First Edition p 4

[*ITAR-TASS* report: "Contacts Have Become Traditional"]

[Text] "The government agrees with the Russian Federation Supreme Soviet that the value added tax (VAT) should be reduced," Russian First Deputy Prime Minister V. Shumeyko told journalists at his now traditional "roundtable" talk with the press. He confirmed that the

government has done its sums and has become convinced that the rate could be lowered but only at the end of this fiscal year. "The size of the new VAT is being calculated right now," Shumeyko said.

Answering a question from an ITAR-TASS correspondent about the Russian Government's preparation of the republic's fuel and energy program, the deputy prime minister noted that he has headed the recently created interdepartmental commission for the elaboration of this comprehensive program geared to the period through the year 2010.

"The sensible combination of cash and noncash payments, the issue of large-denomination bank notes, and a drastic increase in the circulation of money in banks"—that is Vladimir Shumeyko's concept in resolving the problem of cash in the Russian Federation.

The first deputy prime minister, who heads the operational staff for bringing in the harvest, answering a question about its work, announced that this week the staff resolved very important operational questions relating to the supply of fuel and lubricants for the farms of Altay and Kemerovo Oblast and also to the delivery of batteries in short supply to the harvest regions. Shumeyko said that before the end of the week \$8 million will be earmarked from the government reserve to buy batteries and in the very near future they will be distributed to the farms. Touching on state purchase prices for grain, the first deputy prime minister said that as before they are no more than 10 rubles a kilogram.

Vladimir Shumeyko reported that by the end of this week the Russian Government should have approved two important documents concerning the fulfillment of the Russian president's decree No. 721 instituting enterprises' transformation into joint-stock companies. These documents—"on the privatization plan" and "provision on the procedure for registering shares"—will, according to the first deputy prime minister of the government, "give answers to many questions that future shareholders ask."

Nechayev on Budget Dispute with Parliament

LD2107220792 Moscow Mayak Radio Network
in Russian 2200 GMT 20 Jul 92

[Text] You know that the Russian Supreme Soviet has fiercely debated the budget. Parliament accused the government of understating budget revenue by 1.4 billion rubles. Andrey Nechayev, Russian minister of the economy, explains the situation at our correspondent's request. Let us play the tape:

[Begin recording] [Nechayev] In order to understand the basic reasons for the dispute, we naturally have to go back a little, not into the remote past but to the last few months, and what has happened since the freeing of prices. Enterprises drastically increased their prices, taking advantage of the freedom to set prices and, as a result, there was no market for the output of many

enterprises. It very soon came up against the limitations of purchasing power and, as a result, there were formal volumes of production, and a formal profit was generated and measured in the new, completely unrealistic prices.

For the first half of the year, this shortfall in sales amounted to 40 percent. The Budget Committee, looking only at the figures, and with complete disregard for the realities of our situation, says that in the second half the profit that is generated will be twice as great, but they are proceeding from the principle that all the profit is actually generated. This is, of course, a very dangerous mistake. We are endeavoring to reduce nonpayments and to solve the problem of nonpayments. But at the moment, however, no matter what our efforts, we will not be able entirely to eliminate the debt of the first six months. What is most important at present is the extent to which the behavior of the enterprises themselves changes, the extent to which they stop raising prices and how realistic their pricing policy becomes. Everything will be decided depending on this. So, if prices fall, sales will naturally follow and the problem of nonpayments will disappear, or at least become less urgent but, at the same time, it will mean a reduction in the mythical profit they have obtained by putting prices up in the first place.

Many enterprises even now have not realized and do not understand the gravity of the limitations imposed by demand determined by purchasing power. They produced their output and can not sell it. After all, for 70 years they have been pressured by rayon committees, party committees, plans, etc., into thinking that they have got to keep churning it out and that that is what is most important. Now it is becoming apparent that it is also important to sell it.

[Unidentified correspondent] I talked to [words indistinct] and they say that they are not raising prices artificially but that everything is so expensive now that they have to raise prices; otherwise they will go bankrupt. Just what is true? Who is right?

[Nechayev] Well, in my opinion, your question contains the answers and the contradictions. They are not raising prices but everything is very expensive. If they buy from their suppliers at very high prices and so on and so on, and everyone hopes to pass the high prices on, it ends up with the consumer, and that means with you and me, the state and its budget—its spending on defense, for instance. It is also important that in the end there should be a realization that living like this—I had to pay a lot so I put my prices up—can not continue. And then the whole thing will have to be turned on its head.

[Correspondent] So we should be looking for ways to lower prices?

[Nechayev] Of course, ways of guaranteeing sales by, among other things, reducing prices and, it has to be said, that they do have opportunities for doing this, even given the fact that prices are spiraling. For the first

quarter profitability was 70 percent. We have never known anything like it. [end recording]

Deputy Prime Minister States Economic Aims

MK2407083192 Moscow NEZAVISIMAYA GAZETA in Russian 23 Jul 92 pp 1-2

[Interview with Russian Deputy Prime Minister Georgiy Khizha by Sergey Parkhomenko under "'Government" column; place and date not given: "'I Did Not Come To Torpedo Gaydar's Financial Reform,' Says Georgiy Khizha, Deputy Prime Minister of Russian Government"]

[Text] [Parkhomenko] I would like to begin, Georgiy Stepanovich, with a little discovery that I made while preparing for this interview: Within the government, in its "immediate entourage," and among those who would very much like to be in this government there are several unconnected groups of people, and representatives of each one of them maintain that it was they who brought you to Staraya Ploshchad, that it was they who "made Khizha a deputy prime minister..."

[Khizha] Let me disillusion you right away. In reality there are only two people to whom I owe my appointment: Gaydar and Yeltsin.

If you get the opportunity, you can ask Gaydar himself to confirm this: Our meeting took place—I do not even remember exactly now—literally a month after he effectively virtually headed the government. At the first conference that I attended he drew me aside and said: "Georgiy Stepanovich, I am pleased to make your acquaintance, because I wanted to invite you into my government right from the start..." I quote verbatim.

But this was soon after Sobchak persuaded me to come over to him at City Hall—although that was total madness. At the time I replied to Yegor Timurovich that I would, nonetheless, like to see things through there to the end. After all, I had spent 30 years working at the Svetlana association—I arrived there in February 1961 and left for Sobchak in September 1991—and I am not at all accustomed to running from place to place. Therefore at that time I only exchanged pleasantries with him, as it were, and we went our separate ways. But a few months later he again invited me.

So, all that you began with is a fabrication. I myself asked Gaydar several times to speak out and say, maybe, where I had come from, to say that he had brought me in himself....

Not that all this worries me. Not at all. Because, you understand, it is impossible to work for 30 years in the same plant if you are not fit for the job. It is possible to serve time for one year, two, maybe three, but then they will see through you right enough. When they say of you, as was once the custom, that "he traveled the road from machine tool to general director's office," that means a very great deal. It means that they know everything

about the person: What he likes, what he eats, whom he sleeps with... You cannot go and drag a leader out by the ears from nowhere—such a thing does not happen anywhere, not in any firm. While a person is traveling this road, he demonstrates his ability to act in such-and-such a real situation, under real conditions. There are rules of the game, and under these rules you must achieve some positive result. If you cannot achieve the necessary effect—out you go.

Whatever people might say about our directors today, they are, of course, a product of their time, but they are still individuals. I have many times had occasion to say that their situation now is simple: If he is a success, he is a general director; if not, he is no one and will be removed tomorrow.

[Parkhomenko] You know, when you see these "general directors" in full session somewhere with Volskiy, you do not feel quite yourself.

[Khizha] You understand, this is again a kind of violence against life. Still, "neo-Bolshevism" is not a chance term. This is also sewn up in our head: Here is your friend, here is your enemy, and you must fight him. There is no such force as the military-industrial complex. There are simply a lot of plants. They oppress, quite naturally, but by no means because they want to oppress....

I was president of Leningrad Industrial Association. This embraces dozens of plants and dozens of directors. So, when we saw each other before my departure, the first thing they said to me was: Georgiy Stepanovich, do not let through any "concerns." Second, they asked me to finally put an end to this division between "military-industrial complex" and "non-military-industrial complex"—so that these terms no longer exist at all. There is Russian industry. It is ready to do anything you like. Only say: This need not be done. Say—no more tanks are needed, no more missiles. That is all! We need nothing more from you—not even money. Therefore, as soon as I arrived here, I asked that at last we should define what is the minimum defense order!

But no one has been doing this yet. This means that I will have to do it. And I will do it.

There have been various stages in my life. I have engaged in science, and I have built—let us not go into that sphere now... There was a period when I had to make sportsmen out of my children. Every day for three years (when I say every day, it means every day) I played tennis with them. I read everything possible, all the books that ever existed on the subject. I studied all the films that existed. Now my daughter is a master of sport and champion of Leningrad, she plays in America, and so on...

In general, any activity that I have engaged in in my life has always been successful. In the group that I led, in the department, in the plant, in the association... Always. In the space of three months I turned a disintegrating plant into an efficiently working machine. My association has

not just increased volumes (actual volumes, not rubles—I have always pointed this out) but worked smoothly: Every 10-day period it has fulfilled its plan. It is this that inclines me to such a positive view on life. That is all.

So, when I came here, I said just one thing to Gaydar: "Yegor Timurovich, I will know everything I must know. And I will learn it very quickly—I will work 24 hours a day. But I must be 100 percent sure of what I am doing. I can neither take risks nor experiment..."

I always believed that, if I was standing behind a machine tool, I was responsible for myself and for my family, and this was the whole extent of my responsibility. If there are 100 people backing me up, it means that I am responsible for their lives. Here, in this place, there are millions of people behind me, and I do not have the right either to a minute of time spent to no purpose or to a percentage of a mistake. I must act confidently and precisely, I must have the country's cleverest people around me, and we must organize this life together with them. If this does not happen, then I have no business being here.

Also it is necessary to have the stamp of a man of action. There is no point in philosophizing. I see another advantage of my presence here: Around me there are people whose historical experience has inclined them toward thought but not toward action. But I have learned, thought, and acted.

[Parkhomenko] You have now reproduced almost word for word the chief argument used by many Russian deputies at the last Congress, when they insisted on an immediate change in the makeup of the government. Today it is possible to consider that some stage has ended in the life of the Gaydar cabinet: There has been an entire series of resignations and appointments. Could you sum up the overall result of this cadre operation? Can it be said that the cabinet's *modus operandi* has changed radically in some way?

[Khizha] This is the chief point I put to you: I believe that there are no fools in this building—on Staraya Ploshchad. I assure you: As soon as I see that this is not so, either I or they will not be here in the near future...

When I hear it said, as was the case recently during a trip to Novosibirsk, that there are people here who are deliberately trying to destroy the economy and the country in general, I can only reply that I do not believe that. To do that you would have to be completely mad in the literal sense. Such people cannot end up here.

I have also come here to build a house, not to destroy it. But, you understand, the people who were in the government hitherto and the people who work in industry spoke totally different languages. I, for example, certainly do not consider myself any less intellectual than Gaydar. But he has his life history, and I have mine. He has his knowledge, and I have mine.

So, during the six months since January I have had time to contact dozens or maybe even hundreds of directors. It has become clear: If anything is going to ruin us, it is this insolvency situation that has arisen. It is so complex, so profound, and so multifaceted that in practice very few people have really understood it... But I have had to understand, on the one hand, those people who elaborated and are conducting this policy and, on the other, those who have gotten into this situation and are living in it.

So now, when directors say to me: "Give us some working capital..."—I can translate this for Gaydar, but when they say something similar directly to him, he simply does not understand it. Then, instead of answering, I myself ask a question: "Are you prepared to give capital to private enterprises?..." The directors express such surprise: "No!" But then why, I ask, should I "give" you anything? You are demanding that the state simply make you a gift of 1 billion rubles, let us assume, and at the same time you are sure that you are an honest man. But as soon as the conversation turns to a private individual, you become indignant and say that he is a thief, and I am a criminal...

I certainly have not come here to torpedo Gaydar's financial reform. Moreover, I am perfectly sure that it was impossible to manage without it, that it was necessary to begin with it. I had suggested roughly the same thing to Gorbachev at his conferences in this same building: to conduct some monetary operations which would have restored the need for rubles to the producer and made him seek those rubles and fight for them. In the end, only Gaydar made up his mind to do this.

So, with regard to everything that has been done up to this very minute, we have no initially antagonistic contradictions. Gaydar is, maybe, only slightly more rigid than I in his understanding of what is happening, in respect of the situation. But I am trying to help him to sense more exactly where the edge of the precipice is that must not be crossed, where the danger is.

[Parkhomenko] I would very much like to believe that this kind of control over the government's actions is exercised only from within itself. What is your attitude to the creation of "parallel centers of power," which, to all appearances, also strive for such control? I could mention here the Security Council, for example.

[Khizha] Many structures and systems exist here—political, organizational... I state perfectly frankly that I have not yet delved into them all... A great variety of forces oppose that....

As for what must be done now... I do not believe that "from a bad life to a good life by way of a very bad life" is the way to do it... That is not how people live....

Normal people never built either communism or the market. They did not have ideas which they "implemented." Is that not so? Situations whereby a person lives and lives and then suddenly stops living for a while

and starts building—they were possible only in our country. They must be avoided now.

I, for example, am sure that it is impossible to build people's well-being on their wages alone, and demand cannot be built on wages. It is necessary to give people large credits—millions for each person. But I cannot give you a million now. You will not return it to me, because you have nothing to your name. This means that you must be given land. For free—just so that you start building something on it. And then I will be able to give you credit on the security of that land.

You will have land and money—and you will start buying construction materials and building housing, which means that someone will start producing those materials and will need equipment. And raw materials. The producer of equipment will need metal... So, the money that I have loaned you will pass along a chain from hand to hand—as far as the ore. It turns out that we will all be able to live on this money, and you will have an incentive to earn money.

Some people think that Gaydar's reform means financial restrictions for the sake of restrictions, a kind of savings program. But I am profoundly convinced that it is a measure which is bound to do no more than put us all in a whirl. Because administrative levers no longer exist. In general, there are very few levers in nature: It seems to me that there are just two—either fear or material interest. Fear no longer exists. Rather, fear does exist and always will: fear of losing your job, losing your friends, losing the respect of those close to you... But not fear for your life, because we got over that long ago... So, Gaydar's team has only tried to use these two possibilities of management.

[Parkhomenko] Are you certain even now that the team still exists?

[Khizha] At present, I am sure, it does exist.

[Parkhomenko] O.K. But then let us recall how this government, on acceding to power...

[Khizha] What power... To work. That would be more correct....

[Parkhomenko] That is just what I want to ask about. Members of this government openly declared the following: "We will work until the president..."—then very different verbs were used—from "abandons us" to "sells us..." In general, there is still support for the president. At that moment this sounded perfectly natural, and it would have been strange if anything different had been said. Several months have elapsed, however, and you do unfortunately hear this phrase just as frequently now. What accounts for the fact that you have not yet built up any "muscle" of your own?

[Khizha] Can you imagine a government existing anywhere in the West which did not in itself enjoy the support of the population at all? That is impossible.

Everyone understands that, as soon as support dries up, the government resigns without delay.

[Parkhomenko] Do you mean to say that the president acts as an intermediary between the government and the people?

[Khizha] Precisely. There is no other way.

You understand, it is one of two things: either democracy or dictatorship. If we choose democracy, this means that we agree to the averaging of the opposing interests that exist in the different groups of society. We count on the "masses'" confidence in the president, and the president's in the government. Confidence is the basic principle of management today. The principle of confidence is this: that anything else is either revolution or dictatorship. Because otherwise everything ends either in the overthrow of power by force or in its retention by force.

Trade Minister 'Sure Life Will Become Easier'

PM2307160592 Moscow ROSSIYSKIYE VESTI
in Russian 23 Jul 92 p 2

[Unattributed interview with Stanislav Anisimov, Russian minister of trade and material resources; place and date not given: "'We Have an Idea: Abolish the Ministry,' Russian Federation Minister of Trade and Material Resources Stanislav Anisimov Says"]

[Text] [ROSSIYSKIYE VESTI] Stanislav Vasilyevich! Ministry of Trade is clear enough. But what does the second part of the title mean? What are the material resources it refers to?

[Anisimov] The functions that our ministry performs today used to be scattered among three ministries: trade, material and technical supply, and grain purchases. The Russian Government acted extremely sensibly by uniting the entire supply sphere within a single ministry. Remember the first months of the year. There was practically no trade in our country, enterprises were merely swapping goods. In other words, barter was rife. You could not imagine a worse situation. It was essential to organize normal trade as swiftly as possible.

In order to restore the broken economic links between enterprises, organize the production of output, and ensure deliveries of goods to the trade network, groups of specialists from our ministry traveled out both to Russian regions and to the CIS countries. And they made a detailed investigation of the situation on the spot. The fact that now, six months later, trade is beginning to work (although not to such an extent as to satisfy the people) is in part due to our efforts. The government has set up a special commission for the day-to-day management [regulirovaniye] of resources. I have been instructed to head its work. By recruiting forces from different departments to take part in it, we are much more successfully and swiftly solving problems that cannot be overcome alone.

[ROSSIYSKIYE VESTI] Privatization is under way in the trade network: How do you assess its progress? Should the state retain a monopoly right to certain trade facilities?

[Anisimov] Our aim is to privatize 60 percent of retail trade facilities by the end of the year. This will also entail privatization of wholesale trade. We made a proposal to the government: Do this urgently and privatize the wholesale link as early as this year. And then, following the chain, the processing sector. Unless we privatize all the links today, tomorrow we may find ourselves in another impasse.

A state monopoly on trade would mean that the incipient free movement toward the market would be stopped. Moreover, this form breeds an attitude of total indifference on the part of the salesperson toward the goods. Moreover, you can exploit price differences and sell goods through "the back door"... For instance, monopolized enterprises, the meat and dairy processing sector do not value the output they produce, and it spoils by the tonne: Prices are high and people buy very little. Would an owner allow such a situation to occur? He would make the most flexible adjustments to prices and the range of output, and would not allow even a kilogram to go to waste.

[ROSSIYSKIYE VESTI] When everything in trade has been privatized, won't the ministry be threatened with extinction?

[Anisimov] Ministries of trade exist in almost all countries. Although, as we know, there are practically no state trade facilities there. So we will be left with a number of functions in order to regulate the life of the sphere of exchange.

For instance, today it is hard to make goods producers deliver output to the Far North: It is unprofitable for them. But the northerners must not suffer. In order to saturate country's market with goods, we constantly organize fairs. That is, we create the conditions for meetings between goods producers. Were every entrepreneur to do this independently, the price of output would be bound to include the costs of seeking partners. This would be very costly in terms of both money and time for us all (the quest might be a long one).

Recently we approached the government with a proposal: Abolish... the ministry, and create on its basis a commercial structure that would engage in brokerage activity: payments, purchasing, sale. The state would determine the sphere where our activity was needed and would grant us autonomy. And we would assume responsibility and pledge to perform the task as well as we could. The president approved and supported the idea of reorganization.

[ROSSIYSKIYE VESTI] Does Minister Anisimov go shopping like an ordinary customer?

[Anisimov] Yes, but not often. My workday (from 0800 to 2200 or 2300 hours), as you can see, does not coincide with stores opening hours. But this does not mean I am not aware of prices, the range of goods, and demand for them. My family too knows the problems in trade from its own experience. The debates about them at home are sometimes more heated than those at conferences.

[ROSSIYSKIYE VESTI] From your ministerial vantage point and after six months' experience in office, how do you see Russia's future?

[Anisimov] January was terrible. The chaos was apparently endless. Today I can see: There is no chaos, there is temporary disorder. As in an apartment that is under repair. Russia is now undergoing "major repairs." Much that is needed to carry them out swiftly and to a good standard is still missing, but the scenario is not hopeless.

I am sure that the present government will succeed in many things. We have our arguments and disagreements. But there is also absolute coincidence of views that we are taking the correct steps from the strategic viewpoint. I am sure life will become easier.

Foreign Trade Statistics Provided

OW2307225192 Moscow INTERFAX in English
1910 GMT 23 Jul 92

["Statistical Data" section from the 24 July "Trade & Investment" feature; transmitted via KYODO]

[Text]

RUSSIA'S FOREIGN TRADE IN FIRST HALF OF 1992

The first half of 1992 saw Russia's foreign trade turnover amount to \$30,244m [million], declining by 30% compared with the same period last year. Trade with developed industrial countries amounted to \$17,942m (down 24%), with developed countries - \$3,805m (down 23%), and with former COMECON countries - \$6,142m (down 48%).

Developed and developing countries accounted for 72% of Russia's foreign trade (up from 66% in the first half of last year).

EXPORT REVENUES SHRINKING AT A DANGEROUS PACE.

In the first six months of 1992, Russian exports fell to \$15.4bn [billion] which is 35% less than in the first half of last year, with June's exports contracting by 49%, to \$3bn.

Energy resources accounted for 48% and equipment and transport vehicles for 7.8% of total exports. Export of oil declined by 18% to 24m tons, gas exports fell back by 4.0% to 43.7bn cubic meters, and coal exports remained unchanged from last year at 8.1m tons. A fall of 50% and

more was registered by exports of nitrogen and potassium fertilizers, ammonia, plywood, refrigerators and oil products, with exports of machinery, equipment and transport vehicles falling two times and those of iron ore and coke plummeting three and more times.

Russia enjoyed a \$491m balance-of-trade surplus in the first half of the year.

Russia failed to honor 2.1% of its obligations under export contracts. Enterprises and organizations discharged their obligations to supply goods to the state in the following proportions: Krasnodar Province - 91%, Khabarovsk Province - 73%, Amur Region - 70%, Arkhangelsk Region - 77%, Vladimir Region - 60%, Ivanovo Region - 90%, Irkutsk Region - 83%, Murmansk Region - 86%, Novosibirsk Region - 84%.

Contractual obligations failed to be discharged with respect to exports of metal-cutting machine tools (97%), tractors (60%), diesel fuel (97%), furnace oil (97%), pig iron (94%), timber (73%), lumber (93%). The principal reasons behind poor contract execution were the economic slump, disruptions in the functioning of transport, and insufficiently well-organized export activities.

IMPORTS ALSO FALLING.

Russia's imports amounted to \$14.9bn in the first half of the year, falling by 24% as compared with the same period of last year.

Imports of the most important goods amounted to: frozen meat - 133,000 tons (-42%), poultry - 21,000 tons (-46%), potatoes - 101,000 tons (-55%), citrus fruits - 27,000 tons (-79%), apples - 33,000 tons (-52%), coffee - 9,300 tons (-53%), tea - 28,000 tons (-56%), cotton fabrics - 9.7m meters (-72%), pipes - 179,000 tons (-72%), furniture - \$33.5m (-83%). Grain imports amounted to 12.9m tons, or 52% more than last year.

Imports of machinery and equipment fell by 40% to \$3.4bn. Their share of total imports was 23%.

JOINT VENTURES.

In the first six months of the year, joint ventures located in the Russian Federation produced goods and provided services worth Rb38bn. Their exports and imports amounted respectively to \$656m and \$358m. Some \$188m worth of goods was sold within the country for foreign exchange, and Rb20bn worth for rubles.

HEAVIER EXTERNAL DEBT.

\$5,355m was transferred to the foreign exchange accounts of exporter enterprises in the first five months of the year. Over the same time, \$853m was spent by them on the import of goods and services, \$5.9m on wages and salaries, and \$2,059m on other purposes. \$354m was sold to the Central Bank. Foreign exchange account balances amounted to \$10,256m on June 1 1992.

As of June 1 1992, the external debt of the Russian Federation amounted to \$74.3bn (principal) plus \$50.3bn (interest for the remaining life of credit lines).

Goskomstat Reports Six-Month Price Rises

LD2307114892 Moscow *ITAR-TASS World Service*
in Russian 1033 GMT 23 Jul 92

[Text] Moscow, 23 July (ITAR-TASS)—Russia's socio-economic situation does not inspire optimism. The Russian Federation State Committee for Statistics (Goskomstat), which has summed up the results of the first six months, has reported that the liberalization of prices became the most painful event for society. In comparison with last December the level of consumer prices for the goods and services sold to the population increased 10-fold in June. As a result, people's purchasing activity has sharply dropped, and the volume of commodity circulation has diminished by 42 percent over the first six months. At the same time wholesale prices in industry have increased 15-fold and prices in the collective farm market six-fold.

The rigorous methods adopted in this period with regard to the budget and finances led to a degree of stabilization in the national economy. Above all, it has been possible to avoid the complete collapse of production and to retain the ruble as a fairly reliable means of payment. However, the overall situation remains complex and society is experiencing serious difficulties. While there is a considerable increase in money incomes, there remains a gap between these and price growth. A growing differentiation in the living standards of various categories of the population can be clearly seen. At the same time, there is often a substantial delay in the implementation of measures affording social protection to the poorer sections of the population.

The fall in investment activity, the breakdown of economic relations, and the reduction of export-import operations is having a negative impact on the state of industry and on construction, the Goskomstat report says. Manufactured industrial output stands at a mere 87 percent by comparison with the first six months of last year. There has been a 46 percent reduction in the volume of investment in capital construction in comparable prices over the same period last year. The situation in agriculture and the processing sectors remains difficult. Moreover, recent months have seen an increased deficit in enterprises' means of payment. Economic transformations are also held back by the slow pace of privatization, the retention of monopolies in all parts of the production cycle, and by slow progress in land reform and structural advances in the economy.

Unemployment Figures 'Grossly Understated'

PM2307145492 Moscow *ROSSIYSKAYA GAZETA*
in Russian 22 Jul 92 First Edition p 3

[AEN report: "Understated Figures"]

[Text] Our specialists forecast that by the end of the year there will be 14 to 15 million unemployed in Russia, A. Kapustin, chairman of the board of the All-Russian Social Fund for Protection Against Unemployment, said during a conversation with your correspondent. He thinks that the number of unemployed cited by the official authorities is grossly understated.

In particular, unemployed refugees from the former union republics are not taken into consideration. What is more, official statistics totally fail to take into consideration invalids, pensioners, students deprived of a placement after graduating from higher educational establishments, and recent school graduates who are seeking work.

Health Minister Explains Medical Insurance

PM2307105592 Moscow ROSSIYSKAYA GAZETA
in Russian 23 Jul 92 First Edition p 2

[ITAR-TASS report: "Health Insurance"]

[Text] By 1 January 1993 "the health of every citizen of Russia will be insured," Vladimir Starodubov, Russian Federation deputy minister of health, said in an interview with an ITAR-TASS correspondent. Despite the fact that only about 200 medical insurance organizations are now operating in the country, the deputy minister is very optimistic.

Some problems connected with the transition to compulsory medical insurance have already been resolved. For those who are not working—pensioners, children, and invalids—insurance premiums will be from the state budget. In addition, Vladimir Starodubov announced, an agreement has been reached with the Ministry of Finance that funds will be taken from the state budget to pay for expensive medical supplies and operations that local insurance companies cannot pay for.

But it is not yet clear which funds enterprises will use to pay insurance premiums for their employees. The sum of the insurance for organizations and enterprises has not yet been determined either. It should be cited by the Supreme Soviet. In addition the introduction of medical care based on insurance implies a tough selection of medical personnel. According to the deputy minister it is planned to carry out professional certification.

"Insured medicine is an alternative to paid health care," Vladimir Starodubov said in conclusion. He voiced the hope that it will help "preserve social guarantees."

Consolidation Party Philosophies Noted

PM2407100392 Moscow ROSSIYSKIYE VESTI
in Russian 23 Jul 92 p 2

[Lyubov Tsukanova report under the "Parties" feature: "Union of the Prudent"]

[Text] The supporters of defense complex enterprises' "civilized" entry into the market have set up another political organization.

The aim of the Party of Consolidation [Partiya konsolidatsii]—that is what the organizers have called their political alliance—is to "streamline the process of the transition" of the country to the market. Social and national tragedies can be overcome, they think, if the interests of every working person are taken into consideration in the process of economic restructuring. The economic program of the new party, whose constituent conference is to be held in September, is based on the theoretical work "Reform Without Shock" produced by members of the Russian Supreme Soviet's Higher Economic Council. The organizers claim that the program has the support of such parliamentary factions as the "Industrial Union" and the "Agrarian Union" and has supporters among members of the "New Generation-New Policy" faction.

A party's political complexion is, in many respects, determined by its leaders. Who are they? Aleksandr Tikhonov, general director of the "InterUrals" foreign trade joint enterprise; Vladimir Ispravnikov, chairman of the Higher Economic Council; Aleksandr Drozdov, chief editor of ROSSIYA; Valeriy Uvarov, "Nizhniy" Science-and-Production Association chief economist; and Viktor Tolstenko, deputy editor of URALSKIY RABOCHIY. The organizers drew journalists' attention to their organization's regional emphasis: It has supporters in the Volgo-Vyatka region and in the Urals, that is, in the areas of Russia most dedicated to the "defense industry." The "defense industry" politicians have set themselves the tasks of easing the social consequences of the decline in production in the military-industrial complex and of rationalizing conversion. While supporting the government's strategic course they intend to influence tactical decisions, make adjustments with an eye to regional interests, and optimize social policy.

The new organization's ideological proximity to the recently created "Civil Union" is obvious. The organizers of the Party of Consolidation do not deny this, but they have greater aspirations: They want to help unify "all the healthy forces in society" and close the gap between extreme positions.

In this context, when asked about the Party of Consolidation's attitude toward the national-patriots, their answer is typical: "Their policy is rigid, we do not accept that. However, there are also reasonable politicians there, Zyuganov, for instance...."

"If we start uniting left-wingers and right-wingers we will draw them toward the center" (A. Tikhonov). "We favor a state where the national question would not arise on the strategic plane. But we value the Russian idea, we would like to see Russia as a unified, original, unique state. It is necessary to liberate the individual and release

intellectual potential, then Russia will be able to live on its own wits, rather than borrowing from others" (V. Tolstchenko).

The combination of the "liberal" idea (priority for freedom of the individual), the "state" idea (a regulated economy and strong foreign policy) and the "national" idea (take your own path) is indeed something new in our political landscape. As is the avowed support for the president, the government, the Supreme Soviet, and the Congress of People's Deputies simultaneously. Will it prove possible to combine elements that have made a bad combination so far? The leaders of the Party of Consolidation are convinced that it will. Moreover, they are trying to combine politics with active charitable activity, with support for the weak, the needy, the unemployed—so it was no coincidence that they chose Russia's Charity Center for their first news conference.

Contrasting Views of Reform Aired

PM2007094992 Moscow ROSSIYSKIYE VESTI
in Russian 11 Jul 92 pp 1, 7

["Polemic" feature comprising article by Yevgeniy Yasin entitled "We Have Already Reached Midstream" and article by Oleg Bogomolov entitled "Moving Forward With Circumspection"; first two paragraphs are introduction]

[Text] The program for deepening economic reforms is now at the center of attention of millions of people. But whereas the majority of our fellow citizens can judge it only from newspaper articles, professional economists naturally have had the opportunity to study the full text of this document. Might a uniform reaction have been expected from them? Of course not. Even the most committed supporters of market reforms differ in their ideas for the choice of tactics.

We offer to the attention of our readers two viewpoints on the program. We think that a comparison of the different opinions will make it possible to grasp in greater depth the logic and consistency of the course that the government is implementing.

[Yasin] It is very difficult to paraphrase in a short newspaper commentary the 290-page work we have written. I will speak only of its main idea. It stems from the political and social conditions in which we find ourselves. In my view, the drama of the situation which has developed in the country since August 1991 lies in the following: The democratic forces have come to power and found themselves faced with such difficult and thankless work that no one in society can be inspired by it. They received, to put it bluntly, a difficult inheritance.

Literally six months before the August events I had a conversation with foreign colleagues. I asked them which was dearer to their hearts—the market or democracy. They said that no such alternative exists. I insisted: In Russia there is such an alternative. Because it is difficult to form a market economy in conditions of a democratic

system given the painful problems in our country. But until such an economy exists, the democratic system will not obtain its economic and social base.

It so happened that the democratic forces, having come to power, began to create market relations in a situation in which others would hardly have undertaken such work. But it is impossible to turn the clock back. And the government which appeared in November had to make a choice: either to embark on resolute reforms, put its reputation on the line, submitting it to the verdict of a society accustomed to paternalism and dependency, and begin reforms which would tread on the corns of the majority; or to leave everything as it was and swim with the tide. After all, in the past Gorbachev, Ryzhkov, and company did not venture to embark on risky measures and steps because they feared to part with power. The new government, however, has had the courage to take the risk.

I cannot say that I was directly connected with this team, although I knew people in it well. But I considered it my duty to do everything to help them irrespective of whether I fully or partially shared their views.

Unfortunately, the results of the first months of reform are not as gratifying as one would like. I believe that in the closed vicious circle of problems in which we find ourselves, it did not matter where we started. The important thing was to begin. Hence, in my opinion, the liberalization of prices, one of the most difficult maneuvers, was absolutely essential. As a consequence we have undergone difficult trials and met with a negative, hostile reaction from effectively most of society, including, unfortunately, the intelligentsia, many of my colleagues included. All the same, I am deeply convinced that if this step had not been taken, the processes in the economy which represent the first, timid steps—but steps nevertheless—toward its recovery would not have begun. I repeat, a recovery that is as yet still painful, but a recovery nonetheless.

Of course, it is possible to make big complaints about our government; many things were not done in the expected fashion. But I ask myself one question: If I had been in their place, would I have been able to do any better? I have no such confidence. Therefore I agreed to work on the program along with many other experts. In the process of elaborating the program, seeking compromise and agreement, we tried to balance and join together a package of measures which in principle would signify a somewhat more moderate course in stabilization and credit and finance policy. We took account of the lessons of the first six months, including the reaction to the measures taken at the beginning of January.

Right now everyone is worried by the payments crisis, especially managers. In reality this is connected not only with the fact that, though arms production has supposedly ended, our industrial generals have still continued to produce tanks. The problem is far deeper than that. It is not only a money crisis, but also an institutional and

structural crisis. Above all, an institutional crisis. In other words, we have come up against a certain world view on the part of our enterprises—their unwillingness to pay off debts and sell products only to those who have money, their conviction that, since they belong to the state, the state will necessarily save them.

The result: In response to the tight credit and finance policy industry has said that, if the state does not give us enough money, we will generate it ourselves, we will force the state to pick up the tab for our mismanagement all the same. In effect, the 2 trillion rubles [R] of nonpayments represents state industry's reaction to macroeconomic regulators which would have worked in any other country. But in our country the industrial and agrarian lobbies are demanding that a further R2 trillion be put into circulation. But this would achieve precisely nothing: Just as after a narcotics fix you feel better for a short time, but then your condition begins to deteriorate.

Thus the problem is one of overcoming old stereotypes. Therefore a categorical imperative is enshrined in the program: proceed more moderately, perhaps more calmly, not in one go, but nevertheless achieve financial stability and strengthen the ruble.

It has become fashionable in our country nowadays to prophesy a deterioration in the situation: It is bad enough as it is, but will get worse still, and there is no way out of the impasse, and so on. This is totally wrong and contradicts the real state of affairs. We possess incontestable data suggesting that, despite the blows delivered by the bitter crisis, essential changes for the better have begun. This is attested, for example, by practice of entrepreneurs of Orenburg, Yekaterinburg, and other cities, directors of defense plants, and other of our industrialists. They have begun to adapt to circumstances, to think about exports and the assimilation of new products, and to think about how to reform the social infrastructure.

So far this turnaround has not been embodied in material results, but it has begun. Recently some colleagues said to me: Let's immediately freeze incomes and prices, stop the process, and stabilize the national economy. But they forgot that Ryzhkov said exactly the same two years ago. This would lead us to a hopeless situation, and that is all. It is now quite impossible to retreat, we must go forward without turning from our chosen path. Figuratively speaking, we have not only stepped into the water, but have already reached midstream, and must not turn back. Therefore the program provides for unwavering forward motion, taking account of accumulated experience, and progress in the direction of the liberalization of the economy and financial stabilization.

Privatization assumes exceptionally important, even priority significance. It is aimed at changing institutional basic principles. We have delayed over this. The government can be blamed over this. But I think virtually no benefit will come from out-and-out criticism and endless

repetition of the same thing: You are doing it wrong, you are doing it wrong... Is it not possible at some time to say: Let us do it like this?

I have the feeling that we are now ready to switch to real privatization and institutional reforms. This year corporatization is to take place on a large scale. This means that the majority of the country's larger enterprises are to be turned into joint-stock companies. Of course, they will still be primarily state property. But this is already a step forward making it possible to circulate shares.

Implementation of the program of privatization checks will begin in the fourth quarter. I have always been opposed to this idea. But it has already been adopted, and people expect to receive something. It is impossible to revoke the decision. Now it is necessary by means of the checks to create a demand for the shares which will be launched on the market next spring. I am talking about the so-called strategic share packages. A huge amount of work lies ahead.

I personally am deeply and professionally convinced that there is no alternative to this course, to the sequence of measures envisaged in the program. I think that there are alternatives only to the details, and not to the essence of the problem. We must pass through the crucible of this crisis and emerge from it as quickly as possible. The program cites an optimistic time frame. Production will be stabilized in 1994, and from 1996 we will enter a phase of economic upturn.

I stress that this is the optimistic version. It cannot be ruled out that the situation could overrun the projected time frame. But I suggest that the task for the government and for us all, for the public and democratic forces—is to do everything possible for the successful realization of the program.

[Bogomolov] All of us—society as a whole—are by and large quite unanimous in our understanding of the need for market transformations. But I am greatly troubled that we are split, I should say deeply split, when it comes to the specific interpretation of market reforms and to how our government should be implementing them. I would very much like for the course which is implemented to be comprehensible to everyone, for us to have sufficiently extensive information revealing the details and lines of argument and explaining why this or that is being done in such a way and not otherwise, and also refuting the arguments of critics of the program. The impression arises that policy is being formed behind closed doors, and the mechanisms by which decisions are elaborated and adopted remains a secret for many.

Only last year N. Shmelev and I had a lengthy conversation with Ye. Gaydar. We said that a very dangerous experiment was being prepared, and that its consequences would be such and such. Incidentally, our predictions turned out to be correct. But our interlocutor only smiled condescendingly as he listened to us, evidently making allowances for our lack of education. Later, in January, in an interview with DER SPIEGEL,

I again called the hasty liberalization of prices a dangerous experiment. This provoked quite a sensitive reaction in the higher echelons.

Today the destructive consequences of the inflationary prices-wages spiral are becoming increasingly obvious. It is said that there was no alternative to the policy of liberalizing prices. I do not understand this. And I am always surprised when it is categorically asserted that everything that is going on is rational. There were and remain other options, but the corresponding proposals were not heeded.

In my view, one of the government's serious mistakes, which could have been avoided right from day one, lies in the fact that we began reforms and macroeconomic stabilization without a clear concept of what would happen to the ruble zone, how we would manage to control the credit emission of other states of the former USSR, or how the Central Bank of Russia would behave. After all, it is clear that if credit is freely pumped into circulation, there can be no serious talk whatsoever of macroeconomic stabilization. And these problems are still unresolved.

Unfortunately, I cannot agree with the claim of some economists that it does not matter where you begin, the important thing was to begin the reform. I think that it certainly does matter where you begin. We all agree that, for transition to the market, liberalization of prices and liberalization of foreign trade, privatization, reform of the tax system, the elimination of the budget deficit, and a whole series of other things are necessary. But success in many ways depends on the systematic implementation of measures and on the specific content of each of them.

Take privatization. What did Chubays, head of the State Committee for Property, state only recently? He insisted that state property, which we incorrectly considered was our own and belonged to all the people, should be purchased. In his opinion, it was inadmissible to give people this property free of charge: Easy come, easy go... But where are people to get the money to buy it? The liberalization of prices and the ensuing hyperinflation have cost the population R600 billion in savings (back in 1991 prices). People are now spending all their current income mainly on food. Thus sectors producing consumer durables have lost their market.

Yugoslavia also experienced hyperinflation. But there it was accompanied by the indexation of the population's deposits and enterprises' circulating capital. The economy therefore at least functioned, and the market was saturated. We, on the other hand, have chosen a dubious option. The huge number of mutual nonpayments by enterprises has caused a short-circuit in the money circulation system.

Therefore I can in no way accept the thesis that there is no alternative or the thesis that it doesn't matter where you start from so long as the reform is set in motion. Why was it necessary to act with such haste? It was

probably safer to have considered the consequences of the projected steps, at least to have listened a little to the critical voices at the time.

I spoke at the hearings in our parliament. I insisted that the people should not be fleeced of these R6 billion.

After all, people were not intending to withdraw this sum all at once from the savings banks. They had set this money aside to acquire valuables, against their old age, and in the end for funeral expenses. It was more expedient to increase the interest rates on them, so that the population would continue to keep money in the saving banks and make new deposits. And this would undoubtedly have led to demand and revived our industry. But they preferred to do nothing of the sort and adduced a contrived argument: This money was already worthless, so what we took from you was worthless. But surely this cannot be described as a considered approach?

They go on to say that the liberalization of prices is the height of social justice. I am dumbfounded at these words. For goodness sake, gentlemen, ask the opinion of Western social democrats—the Germans, for instance. It was [former FRG Chancellor] Erhard, by the way, who proclaimed the socially-oriented market economy. This is a completely different approach to the one that presumes that only the market and the free play of prices guarantee justice in income and in the distribution of wealth. The law of a market operating on the principles of the jungle is survival of the fittest. But in the socially oriented market economy the state intervenes to defend the weak and to support science, education, and the arts. Government representatives like to repeat that our course is not dictated by the IMF but hatched by ourselves, stemming from our own world understanding and theoretical training. It is simply that the world community approves of it. I think that this is disingenuous. Alas, we are trying very hard to please the IMF, whose recommendations do not take into account the peculiar features of a posttotalitarian society. Even the World Bank's position differs from that of the IMF—it is more sober, more considered, and more critical with regard to the government's course.

And listen to what major Western economists are saying. After all, they do not number just Jeffrey Sachs and Anders Aslund. Many respected specialists from the U.S. federal reserve system and eminent foreign academics are extremely critical of what we are doing. I have just learned of Friedman's remarks. He claims that we will not succeed in turning the ruble into real money, that we should issue a parallel currency. And he is the father and idol of our monetarists. From this it follows that it is scarcely reasonable to say that our course is supported by the entire world community.

Anyway, I do not understand why, in embarking on such serious, revolutionary transformations affecting the fate of every one of us, we look over our shoulder at the United States. After all, we have right under our noses the experience of people who, just like ourselves, have

been maimed by communism and totalitarianism. They did a few things before us. And it is worth taking a look at their experience—the Hungarian and Polish experiences—and drawing definite conclusions from them.

For some reason it is customary in our country to consider that reform in Poland passed off successfully in every respect. Many who have been there have seen that, indeed, the market is bursting with goods. But the stagnation of the economy and production are continuing. Political instability and disorder remain. What can we take from this experience? I think we will hardly manage to saturate the market to such an extent and as quickly as in Poland, because our conditions greatly differ from Poland's. But instability and long stagnation do indeed await us.

Let me mention one further circumstance. As an economist, I have a great hunger for information. And this is despite the fact that I belong to the Presidential Consultative Council and have the opportunity to periodically meet the head of state. Once we received a report drawn up by the government on the progress of reform. The material was so unprofessional that council members expressed surprise that it had reached the president's desk. Instead of objective critical analysis there was an apology and claims that everything is going according to plan, and all that is required is for the people to be patient.

According to plan, no doubt, but not according to the one that the government had in December. Not one goal of this plan has been achieved. It was presumed, for instance, that the people's standard of living and consumption would fall by a third.

And what actually happened? Growth in prices of 200-250 percent was promised. And in reality? Such miscalculations are all too serious. I am not for crucifying the government for mistakes; anyone can miscalculate. But a self-critical approach and a realistic analysis of what has not been achieved are needed. People must know what the physiological subsistence wage norm really is today. But we are avoiding such estimates...

I very much hope that our government, which truly consists of educated and talented people, will acquire the experienced needed to run the country by learning from its own mistakes.

Environmental Issues

Work on Reprocessing Plant Recommended

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in Russian 18 Jul 92 First Edition p 3

[Report by Yuriy Vakhnin: "Atomgrad-26: Between the Past and the Future"]

[Text] Krasnoyarsk—Krasnoyarsk-26 stands alongside the "number-only" Sverdlovsk, Arzamas, Chelyabinsk, Tomsks, and other familiar or as yet unfamiliar

cities of our nuclear empire. And like its twin brothers it has left plenty of "traces" during the years of its existence. The level of pollution in some rayons of Krasnoyarsk down the Yenisey is up to 160 curies per square kilometer. That is even higher than in individual places of the 30-km Chernobyl zone.

"The main sources of danger are the two "single flow" nuclear reactors installed in the fifties to produce weapons-grade plutonium. For 35 years in a row the reactors' fuel core has been cooled by the same method: Water is pumped from the Yenisey into the "jacket" and then flows out again without any decontamination. It is simple and, most importantly, cheap. The price of this terrifying cynicism is still not fully known. A radiometric survey from aircraft shows that the Yenisey is "radiating" all the way to the ocean. So far no one has conducted a serious ground survey. At least, I know of only one expedition of ours organized on the instructions of the Federation of Trade Unions of Krasnoyarsk Kray by geological specialists. Traveling 768 km from Krasnoyarsk-26 to Lesosibirsk, they discovered about 150 centers of radioactive contamination on the banks, spits, and islands. Anomalies are noted in the soil near the banks, sediment, grass, and algae.

There is no doubt that this is the result of regular discharge of manufacturing effluent by the Krasnoyarsk mining and chemical combine directly into the river—I am sure of it, says V. Burmistrov, technical inspector of the kray's federation of trade unions for monitoring the state of the environment. He believes that the studies must be continued. Comprehensive expeditions and authoritative commissions must not only reveal sectors of radioactive contamination dangerous to everything that lives, but also determine measures to protect the territory and recultivate the land.

This summer the first reactor was halted in Atomgrad (as the no-longer secret Krasnoyarsk-26 is being called increasingly frequently). Next year the second will be sealed. But none of the Krasnoyarsk "greens" is displaying joy at this victory.

First, it has emerged that the installations for the production of "stuffing" for atom bombs should be closed down in any case—their operating life has been exhausted. Second, even a reactor which has been stopped will "glow" for several decades. And be cooled by the same simple "single flow" method. In addition, alongside the two military reactors a third is operating, providing heat and electricity for the combine and the city with a population of 100,000. Its safety is also in serious doubt.

And all this serves as the background for another dramatic story connected with the construction of the nuclear fuel reprocessing plant—RT-2.

According to V. Lebedev, the combine's general director, the production premises and equipment where they work with "fissionable" materials are also contaminated

by radiation. They cannot be used for any purposes other than those for which they were intended.

The new plant will make it possible to use the areas released and the people employed there. Restoring and "reinriching" fuel to use it again at a nuclear electric power station is more advantageous than mining uranium from scratch. Specialists assert that the reprocessing of accumulated waste from nuclear power stations will make it possible to supply all nuclear electric power stations of the former Union with fuel for 12 or 13 years.

The first section of the RT-2 plant has already been constructed. But the installation of the second is in doubt. Construction has been frozen, both by public demand and for more prosaic reasons: There is no money. Although representatives of the mining and chemical combine do not tire of arguing that the new production facility will not cause any harm. The technology is geared to a closed cycle and not a drop of "dirt" will enter the Yenisey.

What should be done here? I think that since we have already gotten mixed up in nuclear power all its problems must be resolved to the end. Including the problems of the waste from nuclear electric power stations and its use and decontamination. As a rule no one disputes that. But there are always two dubious questions: Why in our country? And—how perfected is the technology, how safe is it? In response at best there is rudimentary reasoning...

But sooner or later we shall have to investigate it in earnest.

Last winter a "nuclear-gastronomical conflict" arose between Krasnoyarsk and Ukraine. The promised food had failed to reach Siberia. In response the Krasnoyarsk people sent back freight cars containing waste from Ukrainian nuclear electric power stations. Here is how this quarrel ended: As before the waste is continuing to come in to be stored at Atomgrad although there are none of the promised shipments of grain, sugar, or butter from Ukraine. Here Russia receives virtually nothing from the neighboring republic for storing the waste, although throughout the world such "services" are priced very highly. And in this situation the nuclear scientists will simply not succeed in persuading their fellow countrymen that the siting of a fuel reprocessing facility is advantageous.

Unfortunately, for a long time there was a cunning attempt to persuade us that the country was becoming a dumping ground for radioactive waste only because it was unconditionally observing the rules laid down by the world community: The seller of nuclear fuel must take it after it has been used. It has emerged that this is by no means the case. It is known that, for instance, France and Britain reprocess fuel from nuclear electric power stations but neither country has become a storehouse for foreign radioactive waste. Under terms of the contract, reprocessed fissionable materials and radioactive waste

encased in glass are returned to the countries from which they were taken for reprocessing. Here it is not without interest to know that the states involved have assigned funds free of charge for the construction of these enterprises. That is, Britain and France received their reprocessing plants free of charge. And that fact is in no way reflected in the cost of the enterprise's services to the clients and investors.

In the opinion of Yu. Revenko, deputy chief engineer of the mining and chemical combine, there are several options for emerging from the present situation. The first is to do nothing now. To wait and argue. But later, having written off all expenses incurred and lost a vast amount of time, nonetheless to resume the construction of the RT-2 plant. The second way is to begin to build it ourselves right now. With a consideration for the increase in prices that will require tens of billions of rubles. Russia will hardly find them today. And finally there is a third option. Attracting foreign capital; that is, following in the footsteps of the French and the British. That is entirely feasibly if we gear ourselves to the Asian countries.

Nonetheless it should be admitted that the halting of construction has been useful. The former scheme for reprocessing presupposes obtaining waste in liquid form: It was simply pumped into artificial underground storage. After persistent protests from the public it looks as though the project which has already been prepared—the so-called "No. 27 area" installed near the Yenisey—has been closed. After consultations in the ministry a decision was taken up to the level of universally recognized world practice: The waste should be "solidified" and "encased in glass." This technology is far more costly, but there is no other way out. The amended plan will be subjected to an independent expert analysis to show the population that the plant's safe operation is possible.

So should the RT-2 be built or not?

Let us ponder the matter. Nuclear power stations are operating. Consequently used fuel must go somewhere. The capacity of the storage facility in Krasnoyarsk-26 is 6,000 tonnes. As of today there are already 700 tonnes—half of what comes in every year. The storage facility is geared for 25 years.

"If we accept radioactive substances for storage the only way out is reprocessing," asserts O. Bayukov, leading staffer at the Russian Academy of Sciences Siberian department's physics institute. "Otherwise within 20 to 30 years we will be choking in this waste."

Doctor of physico-mathematical sciences Ye. Kuzmin, chief of the Institute of Physics laboratory of the theory of solid-state physics, complains with regret that the difficult problems of a scientific nature are widely exploited by politicians:

"The public is frightened, not by real dangers but by slogans. Yet the real threat lies in the fact that the

politicians who control the state do not understand all the seriousness of the situation. It is depressing that Russia has no state strategy with regard to the prospects for the development of nuclear energy. Are we going to develop it? Wind it down? A very great deal depends on the answer to these questions. Including the fate of production facilities like those in Krasnoyarsk-26."

At the Krasnoyarsk Kray administration I was told that following a ruling from governor A. Veprev a commission of scientists and practical experts has been formed and is working to prepare a package of proposals for the Russian president for the solution of problems connected with the fate of the mining and chemical combine and the elimination of the territory's radiation contamination. Well, you cannot overcome radiation with shouting and slogans. You have to look into matters. To think and decide.

Military Issues

Yeltsin Decree Finances Military Housing

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in Russian 23 Jul 92 First Edition p 1

[Russian Federation president's ruling No. 391-rp "On Measures to Ensure Financing in 1992-1993 for Housing Construction for Army and Navy Servicemen and Those Released from Active Military Service"]

[Text] With a view to improving the provision of housing for army and navy servicemen and for people released from military service:

1. The Russian Federation Government must earmark additional targeted appropriations totalling 39.3 billion rubles [R], including:

R16 billion for the executive organs of power of the republics in the Russian Federation, krays, oblasts, autonomous formations, and cities of Moscow and St. Petersburg for the construction of apartment blocks for servicemen released from military service into the reserve or those who have retired and for people moved from military townships, to eliminate the arrears that have accumulated;

R23.3 billion, including R5 billion for the acquisition of apartments, to the Russian Federation Ministry of Defense to ensure the targets for 1992 for the commissioning of housing and socioconsumer establishments for army and navy servicemen.

2. The Russian Federation Government must within two weeks adopt a resolution on urgent measures to provide housing for servicemen and people released from military service and members of their families.

3. The Russian Federation Defense Ministry must within two months submit to the Russian Federation Government proposals for reorganizing military construction detachments (units).

[signed] Russian Federation President B. Yeltsin, 21 July 1992.

Deputy Defense Minister Kokoshin Interviewed

OW2407072392 Moscow INTERFAX in English
0545 GMT 24 Jul 92

[Interview with First Deputy Minister of Defense of the Russian Federation Andrey Kokoshin by Marina Chernenkha and Vyacheslav Terekhov; place and date not given; from the "Nation and Society" feature—transmitted via KYODO]

[Text] Andrey Kokoshin, first deputy minister of defense of Russian Federation, shares his views of Russia's new military doctrine and many other problems.

In continuing the theme of Russia's political parties, we are giving the floor to Nina Andreyeva, General Secretary of the Russian Communist Party of Bolsheviks.

ANDREY KOKOSHIN OUTLINES NEW CONCEPT OF RUSSIA'S SECURITY Correspondent: In your opinion, where is the difference between Russia's concept of military security and its USSR analogue? KOKOSHIN: There are many of them. Essentially, they are predetermined by the fact that we have become a different nation, although, in a great number of ways, we still remain the Soviet Union's successor.

The Soviet Union had regarded the United States and its NATO allies as its potential enemy for dozens of years. This kept us in constant preparedness for a nuclear war, or, as a minimum, a major conventional war. Therefore, the structure and composition of the Soviet Armed Forces had been tailored to accomplish such missions.

The bent to protect all of our foot soldiers by armor was mostly prodded by our perception of a future armed conflict as a warfare with the use of short-range nuclear weapons when the troops would have to operate under the conditions of a CBR [chemical, biological and radiological] contaminated environment, since they were expected to be subject to the attacks by the weapons of mass destruction, both nuclear and chemical.

Knowledgeably, the US was the first to develop short-range nuclear weapons adding them to then inventory of the USAREUR. On our part, we began channeling into our armed forces great quantities of armored vehicles, making vigorous efforts for deploying our own short-range nuclear capabilities.

At present, the probability of major armed engagements of this category has waned, although we cannot say that it no longer exists. In the meantime, the chances of local conflicts have increased. Such conflicts are already taking place near the Russian borders in Transcaucasus and Moldova. Understandably, we cannot be indifferent to these conflicts, for Russia's security largely hinges on the stability in those regions.

Understandably, we approach the objective of insuring Russia's security, upholding its sovereignty and territorial integrity as our commitment to contain any conflicts involving our national interests at their incipient stage, precluding their ramifications. It's a demanding multi-fold mission with a pronounced political import. Not exaggeratedly, in certain situations the armed forces may become absolutely essential as a stabilizing factor. Under certain conditions, the developments are likely to take a turn so dramatic that only their direct involvement will become instrumental for resolving a critical situation. This is why their doctrine which is currently shaped up by the professional military and Russia's Supreme Council envisage a probability of such local conflicts as much as the employment of the armed forces for averting, containing, and putting them out.

Apparently, this will become the army's greatest challenge, for local warfares and conflicts, per se, are different from the operations the troops of the former Warsaw Pact and present-day NATO had been trained to accomplish for dozens of years, when they had complete awareness of their potential enemy, and when the front line was clearly marked on the commanders' operative maps. Q: The war in Afghanistan obviously was an exception? A: This is true. Unfortunately, the experience of our involvement in Afghanistan has not been studied with adequate attention. There have been several individual publications, but for all I know, no one has given this subject a serious, profound study up to now.

First of all, the warring sides were not separated by a clear front line. Secondly, this warfare was not characterized by injured combat exertions - the sides fought one day and entered into negotiations the other.

Afghanistan was alive with various armed formations which not only opposed our forces and Najibollah's army, but were also involved in internecine conflicts. That diversified setting confused the situation beyond description.

The developments in Transcaucasus are highly reminiscent of the situation in Afghanistan, whereas it appears to be much more difficult to correctly assess them. These kinds of conflicts involve too many aspects, for they need to be analyzed from both political and military points of view. What makes the situation in Transcaucasus especially difficult is the presence of the Russian troops. Both sides are trying to pull them into the conflict. Our officers and men there are subject to a tremendous strain in a most tangled environment.

Q: Incidentally, there is a suggestion to withdraw all the Russian-jurisdictioned troops from Transcaucasus, replacing them with the troops serving on a contractual, voluntary basis. Are you making any progress in this regard? A: I would agree that the overwhelming number of military experts advocate the withdrawal of the Russian troops from that region. It's a highly demanding task to fulfill under the existing circumstances since the units we are withdrawing, the officers and their families, need

to be provided with adequate living quarters and comfortable military infrastructure.

I am also convinced that Russia ought to maintain its reasonably dosed military presence in certain regions especially when it is vitally important for upholding its national interests. This, however, will depend on concrete agreements reached with one or another sovereign state.

We have to make it clear for ourselves that there are certain regions where our presence meets with no opposition on the part of the sovereign states, and where the presence of our forces becomes a stabilizing factors. Q: We seem to have deviated from the subject of Russia's new military doctrine. A: I was telling you that we no longer regard the United States and the other NATO countries as our potential adversaries. Our political relations have seen a dramatic improvement, the level of military confrontation ebbing. On our part, this process is occurring far more rapidly than in the West, although they too are subject to essential changes.

I would also have to admit that it would be premature to say that we have reached the stage where we can regard each other as allies. Q: Do you think that current re-tailoring on the world map and emergence of entirely new sources of war threat near our South Asian borders - the situation in Iran, Pakistan, as well as the pro-Iranian war in Tajikistan - should spur the need to reconsider our defense posture in this region? A: In this regard, we should, above all, rely on the CIS collective security treaty signed in Tashkent. We share concern over the prospects for stability in the Asian region with the governments of Kazakhstan and Uzbekistan.

We have to recognize that the situation in Afghanistan is not characterized merely by the fall of the Najibollah regime. Armed struggle is continuing there, and there is a real danger that Afghanistan will not only crumble as a state, but its armed conflict may move to the territory of the former Soviet Union, particularly, to Tajikistan. The situation there, admittedly, is most precarious of all the other republics of the former Soviet Union.

It seems that a new critical conflict zone is taking shape in that region with far reaching consequences for Russia. Therefore, we should pursue our policy in that region, thinking one move ahead. I believe that this region has traditionally served Russia's national security interests, and we should follow the developments there with utmost attention. Q: Russia is known to undergo a disarmament. How does it affect are your relations with defense enterprises in regard to military orders? A: The budget allocations for the defense purposes have been minimized causing even our predecessors to dramatically reduce their military orders. Sometimes our cuts have reached 60-70% and more against the level of 1991.

I can give you some concrete figures. In 1988, we turned out over 3200 tanks a year. 2800 of them were directed to the troops, the rest were exported. This year we have ordered only 20 tanks. Q: Probably, there is no demand

for them any longer? A: This would be true for the quantities of tanks we used to turn over by the end of the 1980s. On the other hand, 20 tanks are apparently not enough either for revamping the inventory of our armor, however minimal. The orders for artillery pieces, mechanized infantry fighting vehicles, and many kinds of missiles have been literally brought to naught. Therefore, I have to acknowledge a tremendous drop of purchase of combat materiel. These enormous reductions badly reflect on the profitability at many enterprises which, in the assessments of specialists, is often in the red.

At present, in compliance with the provisions of Russia's new military doctrine, we are working out new priorities for the purchases of military materiel. In the meantime, we are reducing the nomenclature of the military gear trying to adopt the policy of their unification and standardization. The matter is that our inventory, as regards certain kinds of armored vehicles, used to be 2.5 to 3 times larger than in the US. This hiatus became especially dramatic conceding we were 2.5 times poorer than the Americans.

As a result, the cost of their operation and crew training for different kinds of materiel was extremely high. It may take us 3-4 more years to resolve the problem of unification and reduce the number of types of equipment in the inventory of the armed forces, provided we do it under favorable conditions. Only then our efforts will bear good results and lead to a considerable decrease of our operational expenses for weapons and combat materiel.

Paradoxically, without any orders (i.e., before the supply of new equipment) we have to keep in the troops a great variety of outdated materiel.

Admittedly, a lot of most updated combat materiel has remained on the territory of Ukraine and Belarus. I would like to specially emphasize that in terms of proportion the ratio of outdated to up-to-date equipment in those countries is much better than in Russia. The same situation is with the tanks, artillery systems, fire support helicopters, etc. Q: Doesn't this dramatic cut on the military orders reflect negatively on the armed forces' combat capabilities? A: This is a difficult situation both for the industry and for the army. The army does maintain certain reserves of combat materiel, at it can rely on these resources for some time. As regards the industry, however, it will either crumble under such circumstances or refuse to fulfill even minimal defense orders for years ahead. Restoration of the defense production even to the minimum level may turn into a highly costly enterprise. Q: Is the defense ministry going to preserve the same "legendary infatuation" with the armor? A: I have already told you that Russia is going to place special emphasis on mobile forces with relatively light armor.

I don't think we will ever again produce tanks in such enormous quantities. At the same time, we do not want to forfeit our preponderance in tanks.

We are also observing a very difficult situation in the ammunition production industry. As is known, it constitutes the backbone of our defense industry. It seems we have approached the line when we will be forced to make most responsible and momentous decisions which we have been putting off for years. We will combine our efforts with the ministry of industry and ministry of economics recommending to the government the enterprises which would need to be preserved as government sponsored producers contracted by the ministry of defense, as well as those "to be liberated".

In my opinion, both the conversion and the development of our defense industry should be performed on the basis of Russia's national industrial policy which we need to develop the sooner the better, for our country still lacks such a policy. We should clearly see our long-term perspectives - in what areas, when and how we can achieve the standards of the world's best producers, as well as what will be laid in the foundation of our economy. We should give a clear account to ourselves as to where and in what proportions the presence of foreign capital is applicable, and where it is not. I am convinced that a number of our branches of industry are unquestionably competitive with their highest world analogues. The development of these branches is undeniable for restoring incontestable defensibility for our country. Q: What are these branches, in your opinion? A: Aircraft and missile construction, a number of trends in quantum electronics, laser technology, shipbuilding, heavy machine building. I am confident that given adequate incentives, our country can become a producer and exporter of a great variety of commodities, both high-tech and of medium technological input.

It goes without saying that to effect this we not only need the capital, but, more importantly, the leaders. We are badly in need of our national "captains of industry". In the meantime, we can find a number of highly proficient persons among the directors corps of the defense industry. Undoubtedly, the defense industry make up our primary competitive resource at the world arena. They just need to be applied resolutely and ingeniously.

In developing this direction we ought to constantly bear in mind the radical changes occurring in the correlation between civilian and military technologies. In the West, many civilian technologies, also known as general purpose technologies, are often head and shoulders above their military counterparts, whereas our civilian sector of industry is certainly lagging behind.

Defense industry can stand in good stead for Russia's economy, although it is not easy for it to make a breakthrough to the most competitive positions at the world market. We should have no illusions about that either. In general terms, a drive toward attaining these goals should become one of the primary objectives of our state and our society. Only then will we succeed in securing our industrial basis in general, learn to be competitive, and stay on a par with the world. The country will have enough food and enough capabilities to

defend itself. Q: What will be the plight of the navy? A: It seems that the navy has been most hard hit by the crisis. This year we are not initiating the construction of a single new warship, although we have very sophisticated projects. It takes a long time to build a ship even under more favorable conditions. Now, we pray God to complete the ships that already stand in the slips. Besides, many experts believe that maintenance and overhaul of the operating ships becomes our by far superior target. The number of ships that are capable of fulfilling their missions is gradually going down for the reason of inadequate situation with the infrastructure in the navy and shortage of allocations for repairs and maintenance. Therefore, before we venture the construction of new ships, we should proceed from developing the infrastructure of the navy. This would enable us to naturally prolong the ships' service life. In other words, our navy has long been developing at the expense of building up the numeric strength of our men of war. Now, it's time for us to change the priorities in this sphere of military construction.

Q: How do you assess the setting up within the CIS of a service of our national "blue helmets", currently placed under the command of Colonel General Boris Pyankov? Will it be instrumental in putting out our continuing national conflicts? A: I regard this decision as correct in principle. We should have done this long ago. Peace-keeping efforts should rather be effectuated collectively, which is by all the CIS signatory countries. This, however, is a challenging mission, so long as it differs in principle from standard combat operations. It demands of the officers and men involved special qualifications in order not to fail the authorities who have assigned them their mission, on the one hand, and not to pose a destructive force for the people in conflict areas, on the other.

Russia, Ukraine To Respect Security Bodies

*LD2407051692 Moscow Radio Rossii Network
in Russian 1800 GMT 23 Jul 92*

[Text] The state security bodies of Russia and Ukraine will not carry out subversive work against each other, Andrey Chernenko, chief of the public relations center of the Russian Ministry of Security, has said during a briefing at the Lubyanka.

Defense-Backed Sporting Group Cuts Programs

*LD2207133492 Moscow Radio Rossii Network
in Russian 1100 GMT 22 Jul 92*

[Text] The Russian Federation's Defense and Sporting Technical Organization—the former Voluntary Society for the Promotion of the Army, Aviation, and Navy—is cutting the training of specialists for general technical professions. This is primarily because the question of meeting the organization's requirements for material and technical resources has not yet been resolved. Furthermore, as we know, equipment is expensive, as are spare parts and fuels and lubricants.

Media Issues

Ostankino TV Ends Moldovan Lease

*LD2407093492 Moscow Radio Rossii Network
in Russian 1900 GMT 23 Jul 92*

[Text] The leaders of the Ostankino Television and Radio Company have decided to dissolve the contract on renting technical broadcasting facilities in Moldova. Ostankino has sent a telegram to this effect to Moldova's Ministry of Information and Communications.

The NEGA agency reports that these measures were taken in connection with the ministry's inability to ensure the normal operation of the Moldovan radio center in the settlement of Mayak in Grigoriopol Rayon on the left bank region of the Dniester. The Ostankino Company has stated its intention to conclude a contract with Tiraspol.

Regional Affairs

Yeltsin Continues Tour in Kalmykia, Omsk

Backdated Agreement Signed

*LD2307132292 Moscow ITAR-TASS in English
1240 GMT 23 Jul 92*

[By ITAR-TASS special correspondents Lyudmila Aleksandrova, Nikolay Styazhkin and Pavel Shamrayev]

[Text] Elista July 23 TASS—Russian President Boris Yeltsin allowed the Republic of Kalmykia to keep 50 per cent of oil and gas it produces, as well as half of the wool, leather and furs.

A corresponding agreement signed by the president with the Kalmykian Government on Thursday [23 July] is backdated to the beginning of the year.

Appropriations from the Russian state budget will be earmarked to create processing ventures for oil, wool, furs, fish and grain in the republic within Russia. Kalmykia will also get part of the foreign credits granted to federation.

Russia and Kalmykia also agreed to coordinate measures to avert emergencies and improve ecology in the republic.

The Kalmyk people, victims of Stalinist repressions, will receive compensation as the economy of the Russian Federation revives.

Yeltsin completed his visit to Kalmykia and left for Omsk.

Further on Agreement

OW2307190692 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] Thursday [23 July] the Russian Federation government and the Kalmykia Council of Ministers signed an agreement in Elista, says IF's [INTERFAX] special correspondent Boris Grishchenko who is among the reporters accompanying the Russian president on his visit to the republic.

The documents, says the head of state, reflect new approaches the republic within the Russian Federation needs to cope with the bad socio-economic stagnation. The agreement notes that the parties rely on mutual interest to protect a common economic space. The agreement provides for Kalmykia's getting regular supplies of electricity, natural gas, fuel, and water supply and the deliveries of essential materials are placed under special supervision. To improve the situation on the consumer market, beginning this year, it was decided that the Kalmykia council of Ministers will keep 50 percent of oil, natural gas, wool, leather and furs produced in the republic. In view of economic backwardness and difficult natural and climatic conditions in the republic, deductions to the republican budget will be complemented with grants from the budget of the Russian Federation.

The agreement emphasizes the need for the restoration of historical justice, addressing the consequences of the repressions against the Kalmyks under Stalin. For example, special subsidies will go for the development of the economy and compensation for damages to the population. Subsidies will be phased in.

Seeking to protect environment, the parties will collaborate on efforts to prevent ecological emergencies. The agreement provides for an integrated approach to the appraisal of the environment and maps out measures to improve the environment and protect it. Specifically, large-scale maps will be created showing radioactive contamination in the republic; the control of the desertification of the so-called "black lands" that are growing in the republic; a solution to the problem of population protection in connection with the rising level of the Caspian Sea, and of ground salt water on irrigated land. It is planned to resolve the issue of ending the influx of pollutant to the republican territory from the neighboring regions and the development of a new irrigation concept and the use of deserts or semideserts.

IF Note: A draft decree has been prepared of the Russian Federation President on urgent measures to provide state support for socio-economic development of the Republic of Kalmykia. The document says that the Russian Federation government was charged with taking a resolution within a three-month period to accelerate

the socio-economic development in Kalmykia, with particular emphasis on the sectors that would equalize Kalmykia's situation with that of the other regions before its entry into the market and the development of a national education, culture, science and health-care system. It was also decided that the hard currency generated by the republican enterprises will come to the republican fund of Kalmykia to buy equipment for the consumer-goods, food, drug, medicine and medical equipment industries. Kalmykia's enterprises will be exempted from export duties insofar as they relate to new and advanced high-tech in processing agricultural produce and environmental protection. The Russian Federation Economic Ministry was charged with setting a quota of 57 mn.[million] USD [U.S. dollars] to consider the appropriate proposals.

On the eve of his visit to Krasnoyarsk Territory, the president said, in an address in connection with the grain problem, that he had sent to the Russian Federation Supreme Soviet a draft bill on grain to improve Russia's grain and feed supply. He said that this year Krasnoyarsk territory would receive 9 mn. metric tons [as received] of grain by meeting the state purchase program at 10 rubles per kilo of grain. The head of state said the meeting with the Kuban residents had persuaded him that "the mood of the people is normal, good."

Sees Improvement in 'Tendencies'

LD2407090892 Moscow Radio Rossii Network
in Russian 0700 GMT 24 Jul 92

[Excerpts] Boris Yeltsin is continuing his trip around the country. Our correspondent Mikhail Shakhnovich reports on his stay in Omsk.

[Shakhnovich] The president began his day on 24 July with a visit to the Omsk oil and chemical complex, the largest oil processing association in Russia. [passage omitted] Giving an appraisal of the state of affairs in agriculture, he said:

[Begin Yeltsin recording] We are not saying that collective and state farms should be broken up, God forbid. Those that are working normally or that are profitable are welcome to continue. All forms of ownership should be supported. How people decide, how they themselves, without pressure from above, without all this bureaucracy....[pauses] Let the people decide themselves. Of course, things will for the time being be difficult this year, nonetheless. But there has been a positive balance in the correlation between the increase in salaries over the last two months. That is, there are already tendencies toward an improvement of one kind or another. Well, we simply have no alternative. [end recording]

Oil Workers' Problems Viewed

LD2407091392 Moscow ITAR-TASS in English
0805 GMT 24 Jul 92

[By ITAR-TASS special correspondents Lyudmila Aleksandrova and Anatoliy Petrov]

[Text] Omsk July 24 TASS—Workers at the oil processing enterprise in Omsk, the major fuel supplier for an area from the Urals to the Far East, did not miss a chance on Friday [24 July] to complain to visiting Russian President Boris Yeltsin on problems they face.

The main problem is the absence of railway tanks which partners from Ukraine and Central Asia do not return. This often forces the enterprise to shut down several oil-processing installations, as a result over 500 million tonnes of oil were not processed.

Yeltsin immediately instructed the government to unfreeze the hard currency account of the enterprise so that it could import everything necessary for oil processing and complete the construction of new facilities which are expected to yield considerable profits already next year.

The workers also informed the president about ecological problems of the city. Omsk is among the ten most polluted cities in Russia.

Workers Quiz Yeltsin

LD2407101992 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 0800 GMT 24 Jul 92

[Report by correspondent Sergey Medvedev in Omsk; from the "Novosti" newscast]

[Text] Boris Yeltsin began his visit to Western Siberia by visiting the Omsk synthetic oil products association [Omsknefteorgsintez], one of the biggest in the country and in Europe.

Asked by workers about the future of the economy and prices, particularly on the fuel that is produced here, the president said that Russia cannot comply with the IMF's demands to free fuel prices and freeze salaries: it would lead to a social explosion. Price increases on gasoline will be gradual up to the end of 1993. There will be only one more stage this year.

The president reported that he has already signed a decree on the transformation of enterprises into joint stock companies. If this does not happen within two months this year, they will be reregistered.

It can be assumed that the visit to the enterprise will facilitate amendments to the government's economic policy. For example, 103 dollars have to be paid to the state for every tonne of paraxylene exported. As Yeltsin said, duties like this are going too far. The CIS states must also be made to comply with their obligations. In spite of agreements, they are not sending empty wagons back into Russia, and as a result factories in more places than just Omsk are grinding to a halt. On the political situation in Russia, Boris Yeltsin urged people not to give way to the provocations of those who call people to the barricades to destroy people of other nationalities. Indeed, the law should be used against those who violate it. For example, criminal proceedings have already been

initiated against Anpilov and Sterligov. The president is now at the Omsk bacon production association. This evening Boris Yeltsin will return to Moscow.

Kozyrev Arrives in Krasnoyarsk

LD2307044192 Moscow ITAR-TASS World Service
in Russian 0210 GMT 23 Jul 92

[By ITAR-TASS correspondents Yuriy Khots and Georgiy Shmelev]

[Text] Krasnoyarsk, 13 Jul—Andrey Kozyrev, head of Russia's foreign policy department, arrived here today from Manila (Philippines), where he took part as a guest in the work of the 25th conference of foreign ministers of the Association of Southeast Asian Nations (ASEAN).

Krasnoyarsk is the concluding stage in the working trip by the Russian foreign minister. Besides Manila, he visited Tashkent and Petropavlovsk-Kamchatskiy.

Replying to questions from journalists at Krasnoyarsk airport, A. Kozyrev noted that he had come to the city on the Yenisey to explain to the Siberians the aims of the Asian policy of Russia, two-thirds of whose territory is in the east. It is precisely these regions which are to become engaged in economic and political cooperation with the countries of southeast Asia first and foremost.

The agenda for the foreign minister's stay in Krasnoyarsk includes a trip to Divnogorsk, a visit to the Krasnoyarsk GES [hydroelectric power station], and meetings with representatives of the public and the kray administration. He will also attend an evening of Russian music within the framework of the international music festival of the countries of the Asian-Pacific region, which is taking place here.

A. Kozyrev flies back to Moscow this evening.

Visits Divnogorsk, Power Station

LD2307204492 Moscow Radio Rossii Network
in Russian 0700 GMT 23 Jul 92

[Report by correspondent Gennadiy Nikolayev]

[Excerpt] [passage omitted] The official visit of a foreign minister is taking place for the first time. In the past, all foreign policy was carried out in Moscow. Russian Foreign Minister Andrey Kozyrev explained his arrival in Krasnoyarsk from Manila as follows:

[Begin recording] Our Asian work has been done at the moment in an Asian direction and we need to stop and think if we have been doing this right. At all events, Krasnoyarsk is at the center of Eurasia, and with its huge potential it needs to be included in economic and political cooperation in this region. It would appear that it is proceeding at full swing without us. I think we shall be talking about all of this here. [end recording]

In the first half of the day, Andrey Kozyrev visited the town of Divnogorsk and Krasnoyarsk hydroelectric power station. Today, he is due to meet the leadership of Krasnoyarsk kray and the town. At the moment, the first international music festival of the countries of the Asia-Pacific region is being held in Krasnoyarsk, and in the evening, following his official meetings, the foreign minister will go to the Opera and Ballet Theater for an evening of Russian music.

Chechen Parliament, President Conflicts Worsen

LD2207191892 Moscow ITAR-TASS World Service
in Russian 1752 GMT 22 Jul 92

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Grozny, 22 Jul—Conflicts between parliament and the president have worsened in the Chechen Republic. Three members of parliament led by Yusup Soslambekov, chairman of the parliamentary committee for foreign affairs, who have just spoken on local television, have in effect offered an ultimatum to Dzhokhar Dudayev: "Either he restores order in the republic within the next ten days, or soil will burn under his feet ... in a literal sense," he added. He stated that "the economic mechanism is in the hands of the mafiosi structures," and blamed the president for not being able "to get rid of his totally useless entourage" himself. "But the Chechen people," he said, "have enough strength to overthrow any dictator who does not wish to reckon with their interests."

Dudayev Urges Sobchak to Act as Mediator

MK2307120192 Moscow NEZAVISIMAYA GAZETA
in Russian 22 Jul 92 p 2

[Denis Gurinskiy report: "Dudayev Urges Sobchak To Act as Mediator"]

[Text] Mr. Beno, foreign minister of Chechnya, has informed St. Petersburg City Hall of Grozny's desire to involve Anatoliy Sobchak in official mediation in preparing and holding a Russian-Chechen summit meeting. According to a spokesman for the City Hall External Relations Committee, the Chechen side based its initiative on the fact that "the leadership of Chechnya knows and values Sobchak's gift for diplomacy and trusts him as a politician of a sensible orientation."

It is also reported that Grozny is ready to open the first round of talks in St. Petersburg. Experts of the City Hall External Relations Committee emphasize the fact that the authorities in Chechnya have agreed to hold the potential talks between Yeltsin and Dudayev on Russian territory, whereas quite recently, they were categorically opposed to this. Vladimir Pitin, deputy mayor for external relations, told NEZAVISIMAYA GAZETA's correspondent that a working delegation of the Chechen Foreign Ministry is inclined to come to the Smolnyy at a moment's notice for the purpose of consulting with Sobchak concerning his mediation mission. According to

Pitin, however, Sobchak is convinced of the need to talk this over with Boris Yeltsin first. The timing of this talk is not yet known, but its results, in the opinion of observers, will make it clear whether President Yeltsin now wishes to conduct a dialogue with Grozny to settle the status of Chechnya. Vladimir Pitin himself points out that Sobchak is inclined to agree to the Chechen appeal rather than to reject it.

Chechen Parliamentarians Issue Ultimatum

LD2407102692 Moscow Russian Television Network
in Russian 1900 GMT 23 Jul 92

[From the "Vesti" newscast]

[Text] Several Chechen parliamentarians have issued an ultimatum to President Dudayev: Either he sorts things out in the republic within 10 days and gets rid of all unsuitable people from his entourage, or the ground will burn under his feet, parliamentarians said. They added: in a literal sense.

Russian Forces Deployed in Nazran, Ingushetia

LD2307194892 Moscow Radio Rossii Network
in Russian 1900 GMT 22 Jul 92

[Text] As the NEGA agency reports from Nazran, one of the biggest towns in Ingushetia, units of the Russian OMON [Special Purpose Militia Detachments], which had been brought in there, have occupied the building of the town executive committee. Armed Personal Carrier's have been deployed in the streets close to the city executive committee.

The commander of an OMON unit told the correspondent that it had been brought in to protect representatives of the Russian Supreme Soviet and the authorities of the Ingush republic which is being formed. The Nazran militia have been returned to barracks. Mogushkov, the town's mayor, called upon the people of Ingushetia to show restraint toward the entry of the OMON units.

According to the law on the creation of the Ingush Republic within the Russian Federation, which was adopted by the Russian parliament, the Ingush bodies must be formed, and the border agreed, before March 1994. Meanwhile, the opening of a Congress of the Ingush people, which according to its initiators intends to proclaim the independence of Ingushetia, is planned for 25 July in Nazran.

Kray Appeals for Controls on Georgian Border

PM2407081592 Moscow ROSSIYSKAYA GAZETA
in Russian 22 Jul 92 First Edition p 2

[Report from feature prepared by Sergey Nikitin under the general heading: "Regional Situation: Cossack Headaches"]

[Text] Krasnodar—In connection with the massive export of goods to Georgia, Armenia, and Azerbaijan and the increase in "Cossack" criminal elements, the lesser soviet of the kray soviet of people's deputies has issued an appeal to the Russian parliament and president. The people of Krasnodar Kray are proposing to establish in summer or fall 1992 a full-fledged state border with the Republic of Georgia and organize a visa entry and exit system for people who are not citizens of the Russian Federation, along with strict customs inspection.

Controversy Over RCWP's Occupation Continues

PM2407091592 Moscow ROSSIYSKAYA GAZETA
in Russian 21 Jul 92 First Edition p 6

[Report by correspondent Yuriy Kukanov under the "Furor" rubric: "OMON Was Fast Asleep"]

[Text] All the indications are that Leningrad's Communists do not intend to quit the entrenched position they have chosen—the illegally occupied premises of the former House of Political Enlightenment on Dictatorship of the Proletariat Square. St. Petersburg City Soviet instructed City Hall to evict the Russian Communist Workers Party [RCWP] Central Committee from the House of Political Enlightenment by 15 July. Nobody is implementing this decision. The situation that has developed has once again become the subject of fierce debate at the Mariyinskiy Palace.

City Mayor Anatoliy Sobchak, who arrived to calm down the incensed deputies, stated categorically that "the problem is being resolved." In reply, the most resolute parliamentarians tried unsuccessfully to push through a draft resolution calling for the mayor to bear personal liability for the nonfulfillment of the representative power's decisions.

While this confusion reigned in the Mariyinskiy Palace, a mysterious incident took place on Dictatorship of the Proletariat Square. The red flag with the hammer and sickle disappeared during the night from the roof of the House of Political Enlightenment, and the board with the inscription "Russian Communist Party Central Committee" was pried off the pediment of the building. The Internal Affairs Main Administration press center reported that it knows nothing about this incident. The commander of St. Petersburg's Special-Purpose Militia Detachment stated that he was fast asleep that night.

Nonetheless, the extraordinary incident on Dictatorship of the Proletariat Square has caused an uproar. The "Petersburg" Broadcasting Company immediately gave airtime to RCWP Central Committee Member Viktor Tyulkin. He does not intend to be downhearted about this, and made remarks to the effect that the comrades have enough red material in stock to stitch together a new banner. But nor is Comrade Tyulkin ruling out that legal action will be taken against Mr. Sobchak, because, in the opinion of his party's Central Committee, the disappearance of the red flag from the roof of the House of Political Enlightenment has damaged the RCWP economically.

International Affairs

Foreign Ministry Cables Moldova, Russia, Romania

LD2307193392 Moscow ITAR-TASS in English
1903 GMT 23 Jul 92

[By unidentified UKRINFORM-TASS correspondent]

[Text] Kiev July 23 TASS—Ukrainian Foreign Ministry sent a note on Thursday to Foreign Ministries of Moldova, the Russian Federation and Romania in connection with an agreement on the main principles of the settlement of the armed conflict in eastern regions of Moldova, signed between Russia and Moldova on July 21.

The note says, in particular, that since the above-mentioned agreement envisages the creation of an independent mechanism of maintaining a ceasefire, a number of questions have arisen, including that of further operation of a quadripartite mixed commission on monitoring the ceasefire and disengagement of the warring sides, which was set up on the decision of foreign ministers of these countries, and other elements of the quadripartite mechanism, its mandate and functions.

The note expresses the readiness of the Ukrainian Foreign Ministry to hold consultations on the issue.

On July 22, the Ukrainian Foreign Ministry sent a note to Moldovan Foreign Ministry urging to immediately begin negotiations on problems, connected with the presence in Ukraine of refugees from combat areas of Moldova.

European Parliament Delegation Visits Kiev

LD2207175792 Moscow ITAR-TASS in English
1737 GMT 22 Jul 92

[By UKRINFORM for TASS]

[Text] Kiev July 22 TASS—Chairman of Ukraine's Supreme Soviet Ivan Plyushch and Prime Minister Vitold Fokin received today the visiting Europarlament delegation headed by its speaker Egon Klepsch. During the meeting the attention of the Europarlament representatives was drawn towards the fact that the young independent state is open for cooperation with all countries, above all for entire Europe, and hope was expressed that Ukraine will become a member of the European Community (EC).

Members of the Europarlament delegation showed interest in border problems of the former Soviet Union, the fate of strategic nuclear weapons deployed on the Ukrainian territory and the division of the Black Sea Fleet.

The Ukrainian side stated that it supports the preservation of the existing borders, does not lay any claims on any country's territory and will not permit anybody to encroach on its territory. The Armed Forces of Ukraine

are created with the aim to protect its people from any aggressor, and they do not intend to play the role of an aggressor.

As far as strategic nuclear weapons are concerned, Ukraine consistently supports their complete destruction, however it entails certain technical complications and requires some time. The process of the division of the Black Sea Fleet must be settled through peaceful means.

The delegation left Kiev today.

Iranian Official on Plans for Close Business Ties

OW2307191192 Moscow INTERFAX in English
1756 GMT 23 Jul 92

[From the 24 July "Business Report" feature—transmitted via KYODO]

[Text] Iran is planning to have close business ties with Ukraine. The governor-general of the Iranian province of Eastern Azerbaijan, Akbar Parkhiskar made this announcement in an interview with the Kiev press. He is heading the delegation of representatives from Iranian business circles which visited the opening Wednesday of a fair exhibiting Iranian industrial products in Kiev.

Parkhiskar said that the two countries could cooperate well on deals for supplies to Ukraine of Iranian oil, and exports from Ukraine to Iran of test and measurement equipment, agrarian technology and metallurgical raw materials.

National Affairs

News Conference on Draft Constitution

LD2307200892 Kiev UKRINFORM in Russian
1532 GMT 22 Jul 92

[By UKRINFORM correspondent Aleksandr Litvinov]

[Summary] Kiev, 22 Jul—A news conference held in Kiev today was dedicated to the beginning of nationwide discussion of the draft new constitution of Ukraine. While speaking about the work on the new main law, Leonid Yuzkov, leader of the working group for preparing the document, who was recently elected chairman of the constitutional court of Ukraine, stressed that they have to study the constitutional practice of many countries of the world as well as that of Ukraine itself.

Touching upon the differences between the Ukrainian constitution and similar documents of other countries, L. Yuzkov stressed that in it the ecological rights of citizens are reflected for the first time, and that the issue of the citizens' right to unite on religious grounds is solved more democratically. The journalists were told about the way citizens' proposals which are being received on the draft of the new constitution will be

processed in practice. All the amendments to the document will first be considered in the standing commissions of the Supreme Soviet of Ukraine, and they will then be handed over to a special working group.

Kiev Region May Soon Have 54,000 Unemployed

LD2307150692 Kiev Radio Ukraine World Service in English 1017 GMT 23 Jul 92

[Text] Already in the near future there may be 54,000 unemployed in Kiev region. Of late, about 11,500 workers were dismissed at 995 enterprises in the region. Over the past six months about 10 million people visited the regional unemployment center. The state administration of the region has worked out a whole number of practical measures to prevent mass unemployment. Such information was provided today by the press service of the president's representative in Kiev region.

Economic Crisis Commission Holds First Meeting

LD2307151192 Kiev Radio Ukraine World Service in English 1009 GMT 23 Jul 92

[Text] The commission for overcoming economic crisis has held its first sitting in Kiev. It was set up upon the initiative of the state administration of Ukraine's capital [sentence as heard].

Among its members are leaders of industrial enterprises, communal services, representatives of research institutions, banks, commercial agencies, and journalists. The same participants pointed to the unsatisfactory state of affairs in the economy of Kiev. The production decline reached 26 percent, trade turnover has decreased by 40 percent. The conversion of the defense industry is almost at a standstill. The commission members believe their activities may radically enhance the implementation of the economic reforms.

Security Forces Arrest 'Popular Rukh' Members

OW2307195992 Moscow INTERFAX in English 1838 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] The Ukrainian security service has captured 6 members of the city organization "Popular Rukh" in Dnepropetrovsk who were writing anti-Russian [as received] slogans on the walls of houses during the whole month. In the center of the city one could see the following slogans: "Ukrainians - away to Canada!", "From CIS - to single Russia!", "Ukrainians - not a nation!" According to the members of "Rukh" they tried "to awaken the national self-consciousness of the Ukrainians by this means.

Government To Insure Border Protection

OW2307142592 Moscow INTERFAX in English 1326 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] In an interview with local radio, Ukrainian Foreign Minister Anatoli Zlenko said his country must insure full-fledged protection of its borders. He also said Ukraine would support the Ukrainian community of Dniester without interfering in the domestic affairs of Moldova.

As regards the division of the Black Sea Fleet, Zlenko limited his Ministry's role to moves to create an appropriate political atmosphere for continued negotiations.

Oppositionist on Dismissal of Vice Prime Minister

OW2307195892 Moscow INTERFAX in English 1838 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] In his interview with the newspaper "NEZAVISIMOST" ("Independence") the chairman of the largest opposition faction in the Ukrainian parliament Les Tanyuk said that the decision of the Ukrainian President Leonid Kravchuk to dismiss the Vice Premier Vladimir Lanovoy does not mean a turn in his policy. Lanovoy is considered to be the author of resolute reforms in Ukraine. "Kravchuk is a man of medium decisions. If he has made a step to the right it means that the step to the left is to succeed", Tanyuk believes.

The leader of the opposition considers that the new Vice Premier Valentin Simonenko has administrative abilities and can find a common language with the representatives of different political groups and parties.

Information Science Academy Created

AU2307131992 Kiev HOLOS UKRAYINY in Ukrainian 16 July 92 p 4

[Editorial: "The Academy of Information Science Has Been Created"; first paragraph is introduction]

[Text] The Ukrainian Academy of Information Science has held its constituent meeting. Thus, the idea proposed by the organizing group of scientists (see HOLOS UKRAYINY of 23 May 1992) has been implemented. The Ukrainian Academy of Information Science is a public open-type scientific self-supporting organization. It unites scientists and production workers who have accumulated much work experience.

It has been planned to create six scientific departments that will deal with the foundations of information science, information processes on the market, information science in biology, medicine, and society, information science in space and military science, and the industry of information science and computer technology.

In order to bring the Academy's activity closer to regions with considerable intellectual and production potential, six regional research centers have been created—in Dnepropetrovsk (base organization—scientific-research institute Ukrchermetinformatsia [Ukrainian Ferrous Metals Information]), Donetsk (Main Information Center of Oblast State Administration), Kiev (the Information Corporation "UkrNTI" [Ukrainian Scientific and Technological Information]), Lvov (the Center for Scientific-Technological and Economic Information), Odessa (the Ukrainian-Polish joint venture "Kontakt"), and Kharkiv (Radioelectronics Institute).

The main trends in the Academy's activity include fundamental and applied studies and their coordination, promotion of elaboration and implementation of new technologies and technological methods of information science, interaction with other Ukrainian and foreign academies, organization of specialized scientific councils for defending theses, and participation in the process of implementing information science in society, and shaping of information culture.

At present, 364 persons from Ukraine's 18 oblasts are members of the Ukrainian Information Science Academy. Among them there are 18 academicians and 23 corresponding members. The Academy's leading bodies have been elected: president (M. Yermoshenko), vice presidents (L. Reshodko and G. Lutsyy), and senior scientific secretary (A. Hrabchenko).

Scientific, Technology Control Center Set Up

OW2307191092 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] President Leonid Kravchuk has decreed the institution of a Science and Technology Council, assigning it to set up a special Situation Control Center under the president of the state. This new agency of the presidential administration is manned with highly qualified specialists in electronics, law, and economics. Based on an automated computer system, the Center will assist President Kravchuk in making decisions and monitoring their implementation.

Security Measures Introduced in Post Offices

AU2307105292 URYADOVYY KURYER in Ukrainian
17 Jul 92 p 9

[Ukraine's Cabinet of Ministers resolution No. 388 "On Receiving Items of Mail in Unsealed Form" issued on 10 July 1992]

[Text] In order to ensure secure conditions of work for postal communications employees, Ukraine's Cabinet of Ministers resolves as follows:

1. To authorize communications offices of Ukraine (with the exception of special communications and State Messenger Services) to accept items of mail (parcels, printed matters, and others) from the population, enterprises, institutions, and organizations only in unsealed form and to conduct a visual examination of their contents.

2. To authorize the Ministry of Internal Affairs, the Ministry of Defense, and the Civil Defense Headquarters and to ask Ukraine's Security Service to provide practical and methodological assistance to communications enterprises in examining suspicious items of mail for explosive substances or appliances.

Byelarus

Trade Official Welcomes Agreements With Russia

PM2407081092 Moscow IZVESTIYA in Russian
24 Jul 92 Morning Edition p 1

[Nikolay Matukovskiy report: "Russian-Byelarusian Confederation?"]

[Text] As already announced, 21 agreements were signed at the joint session of the Byelarusian and Russian Governments in Moscow. V. Radkevich, chairman of the Byelarusian State Committee for Foreign Economic Relations, comments on this unprecedented event in the history of the CIS:

I find it hard even to say which is the most important agreement—they are all important. I will start with Byelarus' foreign debt which we inherited from the old Union. The debt was more than \$3 billion—\$1,000 for every Byelarusian family. That is the official figure. In actual fact it was even higher—all Byelarus' big chemical and petrochemical industry was developed with foreign investments, and hundreds of enterprises are working with imported equipment. Russia pledged to pay off all Byelarus' foreign economic debt, allowing it to use its hard-currency resources to develop its economy. Admittedly, Russia has also taken the billions that Byelarus is owed by foreign states. But what can you get today out of Cuba, Vietnam, or India?

Now I will be extremely brief and only name the problems on which full accord was reached. Typically, the two states did not engage in any confrontation over the most "contentious" problem—the "division" of the Army; they signed an agreement on coordinating defense activity, on siting Russian strategic forces on Byelarusian territory, and on joint concern for servicemen and their families.

Among the most important accords I would cite the agreement on terms for shipments of output, commodities, raw materials, and food to Russian and Byelarusian enterprises and organizations, the agreement on pricing for products involved in interstate exchange, and the agreement on a single taxation policy. Provision has been made for rigorous penalties for suppliers if they avoid concluding contracts and disrupt deliveries. Another important agreement concerns the use of and support for the single currency unit—the ruble. If it becomes necessary to introduce national currencies, the sides have pledged to observe one another's economic interests.

In the future these joint government sessions will be held in Moscow and Minsk in turn. Will a Russian-Byelarusian confederation emerge within the CIS framework? Quite possibly. At any rate a very good, promising start has been made...

Borders With Baltics Being Reinforced

OW2307175692 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] Preparations for the reinforcement of borders with Latvia and Lithuania are in full swing in Byelarus. In an exclusive interview with Interfax the chief customs adviser to the Byelarusian Prime Minister and Chief of the Byelarusian Customs Gennadiy Shkurdj said that this year his government had invested over 81 million rubles in the construction of 6 customs houses and 14 customs points on Byelarus' 605-kilometer border with the two Baltics. 800 officers would be expected to man the new facilities. Gennadiy Shkurdj said 5 men had already been offered the job of station chief and the would-be rank-and-file officers were undergoing a special training program. Although there was no fixed deadline on the construction, the customs facilities were tentatively expected to come under roof in 1993.

IF [INTERFAX] Note: Government sources have informed Interfax that Byelarus is to close its border with the Baltics before this year runs out. Customs houses will be built, and Byelarus, Latvia and Lithuania will introduce travel quotas as befits sovereign and independent countries. It will cost Byelarus about 1 billion rubles in January prices to build and man the customs facilities.

The absence of special study centers in Byelarus had prompted the decision to use the facilities of the School of Management under the national government and the republican security service for training customs cadres. In the future, however, some students of the Department of Law of the Byelarusian University would be majoring in customs operations. Byelarus' chief customs officer said a statute of customs procedure was being drawn up and special treaties between his republic and Latvia and Lithuania would provide legal basis for customs operations on the joint borders. A special interstate commission was handling the practical angle of the border finalization.

IF Note: Speaking recently before the residents of the Byelarusian township of Ghervyaty on the Lithuanian border, the Chairman of the Lithuanian Parliament Vytautas Landsbergis said simplified cross-border travel regulations would be introduced in the border areas. There would be no need for the local residents to apply for travel visas.

As of date, the construction of customs facilities on Byelarus' borders with Russia and Ukraine had not been considered, Shkurdj said, and the approach to problems on these borders was defined by documents already signed on the Commonwealth level. Shkurdj said that last Tuesday, July 21, Byelarus and Russia signed, in Minsk, a bilateral agreement with Ukraine to regulate

the order of transit deliveries. Under the agreement, no tariff dues will be levied on deliveries across each other's territories. Earlier Ukraine refused to sign a similar agreement on the Commonwealth level.

Minsk, Warsaw Agree on Rapid Rail Link

LD2307140392 Moscow ITAR-TASS in English
1205 GMT 23 Jul 92

[By BELINFORM correspondent Dmitriy Patyko]

[Text] Minsk July 23 TASS—Leaders of the Byelarus Railway and the Central European Commission signed a preliminary agreement in Minsk on Thursday [23 July] to create a rapid rail link between Minsk and Warsaw by the year 2000.

The proposal calls for a train that will travel at speeds greater than 300 kilometers per hour, the newspaper "RESPUBLIKA" announced on Thursday. This will be part of the passenger line between Paris and Moscow that is planned for the early part of the next century.

Byelarus and Poland are considering two different routes: One through Terespol and Brest and the other through Bruzgy and Grodno. Funding for the project is being sought by partners from Germany.

Printing of Some Central Newspapers Halted

LD2407054192 Moscow Radio Rossii Network
in Russian 1600 GMT 23 Jul 92

[Text] A number of central newspapers will no longer be printed in Byelarus, including IZVESTIYA, SOVETSKIY SPORT, LITERATURNAYA GAZETA, and ARGUMENTY I FAKTY. The Byelarusian Publishing House stopped printing them due to financial reasons and the paper shortage.

Dutch Military Inspectors Arrive 23 Jul

OW2307111892 Moscow INTERFAX in English
0954 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] A delegation of Dutch military inspectors has arrived in Minsk today, Thursday [23 July]. Under international agreements they will be given full account of armaments systems in Byelarus.

The Byelarusian Defence Minister General Pavel Kozlovsky announced at yesterday's press-conference in Minsk that 20 international inspections will be shortly carried out in the republic to check up the observance of the arms limitation treaties.

Diplomatic Relations Established With Oman

JN2307151792 Muscat Radio Oman Network
in Arabic 1300 GMT 23 Jul 92

[Joint statement issued by Byelarus and Oman on the establishment of diplomatic relations in Moscow; date not given]

[Text] The Sultanate of Oman and the Republic of Byelarus, having the desire to promote ties of friendship and cooperation between the two countries in various spheres, have decided to establish diplomatic relations, as of the date of the signing of this joint statement, and to exchange diplomatic representation on the ambassadorial level.

Relations between the Sultanate of Oman and the Republic of Byelarus are based on the principles of coexistence, mutual respect for sovereignty, and noninterference in the domestic affairs of the other. They will also be based on equality and mutual benefit in accordance with the UN Charter.

The Sultanate of Oman and the Republic of Byelarus, while signing this joint statement, hope that these diplomatic relations will promote relations of friendship and cooperation in the interest of both countries.

The joint statement was signed at the Sultanate's embassy in Moscow for the Sultanate's government by Oman's accredited Ambassador to Russia Dawud Bin-Hamdan al-Hamdan, and for Byelarus by (Viktor Danilenko), permanent representative of the Byelarusian Council of Ministers to the Russian Government.

Moldova

Two Killed as Truce Broken in Bendery, Dubossary

LD2407085692 Moscow ITAR-TASS in English
0807 GMT 23 Jul 92

[By ITAR-TASS correspondent Valeriy Demidestkiy]

[Text] Chisinau July 24 TASS—One person was killed and eight wounded as a result of mortar shelling of the Moldovan police positions near the cities of Dubossary and Bendery last night, the Moldovan Interior Ministry said.

However, the press centre of the break-away Dniester Republic blamed the violation of the truce on the Moldovan side. The press centre said one Dniester militant was killed and several wounded after Moldovan police attacked Bendery.

Parliament Debates Reorganization, Names Ministers

AU2307205092 Chisinau Moldovan Television
in Romanian 1800 GMT 23 Jul 92

[Chisinau Television relayed by Bucharest Television]

[Excerpts] This morning the Moldovan parliament continued to discuss the bill concerning the structure and reorganization of the government. [passage omitted]

During its afternoon session, the parliament discussed the members of the new cabinet. Thus, the following heads of ministries have been appointed: Mr. Gheorghe Ghidrin was named health minister; Mr. Tudor Slanina, trade and material resources minister; Mr. Valeriu Ciubotaru, architecture and construction minister; Mr. Vitarie Gorincioi, agriculture and food minister; Mr. Andrei Cheptene, foreign economic relations minister; Mr. Nicolae Tiu, foreign affairs minister; Mr. Alexei Barbancagra, justice minister. Due to objective circumstances, the deputies did not discuss the candidates to hold the portfolios of the Youth, Sports, and Tourism Ministry, the Finance Ministry, and the Industry Ministry.

All other candidates to head other ministries did not receive the necessary number of votes, so Parliament decided—as suggested by President Mircea Snegur—to hold another ballot on that issue during its next session, which is to be held on 28 July.

Snegur Receives CSFR Ambassador to Bucharest

AU2107123192 Bucharest Radio Romania Network in Romanian 1000 GMT 21 Jul 92

[Septimiu Roman report from Chisinau]

[Excerpt] President Mircea Snegur this morning received Mr. Milan Resutik, ambassador of the Czech and Slovak Federation to Bucharest, a communique issued by the presidential press bureau announced.

They discussed ways to deepen ties between the two states, emphasizing that they should be stimulated with respect to economic reform and transition toward a market economy.

President Snegur saluted the Czech and Slovak ambassador's intention to accredit himself to Chisinau as well, thus being able to convey an objective image of Moldova to his country, considering the fact that his colleague in Moscow is often briefed in a one-sided way by the Moscow mass media, which reports in a distorted way—from pro-imperialist positions—on events in the Republic of Moldova.

Talking about the problems the two countries have been facing lately, President Snegur and Ambassador Resutik agreed that an equitable solution can only be expected from constructive political dialogues. One cannot use people's sufferings for political goals, Mr. Snegur stated, mentioning that a new mechanism designed to halt the conflict will be implemented before the end of this week in the eastern rayons of the Republic of Moldova and that a group of Moldovan and Russian experts is to begin investigations today, concerning criminal actions undertaken by the so-called third force, which is permanently destabilizing the situation in the town of Tighina [Bendery]. [passage omitted]

Snegur, Austrian Envoy Discuss Cooperation

AU2007184492 Bucharest ROMPRES in English 1737 GMT 20 Jul 92

[Text] Chisinau, ROMPRES, 20/7/1992—The president of the Republic of Moldova, Mircea Snegur, received an Austrian delegation headed by Austria's ambassador to Romania, Christoph Parisini. During the interview questions were approached with regard to growing cooperation between the two states.

As MOLDOVA PRES reports, President Snegur acquainted the guests with the economic situation in the republic mentioning that all the economic branches were being reoriented toward market affairs and mutually advantageous collaboration with Western countries.

President Snegur mentioned that Moldova was involved in a political conflict that turned into an armed conflict. Now the Moldovan leadership is concerned with finding ways to peacefully settle it, he said.

European Council Urges Peaceful Solutions

OW2307190592 Moscow INTERFAX in English 1658 GMT 23 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] Moldova may get the status of a special invitee to the Council of Europe's parliamentary assembly on condition it restores law and order and its leadership proves commitment to democratic reforms, said head of the delegation of the parliamentary assembly of the Council of Europe David Atkinson who came to Chisinau to familiarize himself with the situation around the Dniestrian conflict. The delegation met with the presidential representatives, the cabinet and parliament. Atkinson told the Moldova parliament of the proposal of the Council of Europe. He emphasized that "Moldova can only hope for a membership in the assembly in case it meets the European standards of multiparty democracy, human and ethnic rights protection and rule-of-law state." Atkinson said that there is no alternative to a peaceful solution to the Moldovan problems. "To kill one another is no more an option for Europe because no one wants Moldova to become a new Bosnia and Chisinau and Tiraspol, a new Beirut." Speaking about the delegation's viewpoint, the spokesman for the Council of Europe said that a threat of the use of force is inadmissible, still less a military solution to the problem. The Council of Europe is closely monitoring the actions of the Russian military on the territory of the foreign countries and also the actions of Cossacks.

"Moldova has a good deal to learn, and Europe is ready to help, in particular with recommendations in work on a new constitution, the organization of parliamentary work and the defense of the rights of ethnic minorities," said Atkinson.

His statement met with a mixed response from the parliament and top leaders.

Kazakhstan

Communique, Agreements Signed With Russia

LD2307224492 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1400 GMT 23 Jul 92

[Report by correspondent A. Nugmanov; from the "Novosti" newscast]

[Text] A meeting in Alma-Ata today ended with the signing of a communique and a number of agreements on questions of economic cooperation between the Governments of Russia and Kazakhstan. Economics is in essence our everyday life and the important questions here were: Have the problems of reciprocal supplies of foodstuffs and goods been settled? Are we going to keep the single ruble zone? What is the status and composition of the strategic forces stationed in our republic?

The Russian Government decided to give aid to its neighbor in bringing in the harvest by supplying equipment and material resources under government guarantee but in its own interests. In the autumn Kazakhstan will sell grain at the prices established in Russia.

No agreement was reached at the talks on questions of regulating prices. Experts should carry out further work on these within a short time.

Further on Expectations for Grain Harvest

OW2307184792 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"; transmitted via KYODO]

[Text] Prime Minister Sergey Tereshchenko expects this year's grain harvest in the republic to amount to more than 31m [million] tonnes.

He said the government had decided to send 12,500 lorries to northern Kazakhstan from the republic's southern regions after the harvest had been gathered in there. Some 1,500 lorries will be borrowed from the armed forces stationed in Kazakhstan. About 5,000 new KamAZ, Zil, and GAZ-53 lorries are to be bought. Some 6,000 combine harvester operators will go to Turgai, Kustanai, and Akkol regions from various parts of the republic.

According to the Prime Minister, assistance has been offered by Kyrgyzstan, Byelarus, Russia, and Ukraine, though on "fairly onerous" terms: 100 tonnes of grain for every operator and 300 tonnes for every harvester.

Tereshchenko he had been put at the head of a center for running the harvesting campaign set up by President Nursultan Nazarbayev. Each vice-premier, minister and deputy minister will be responsible for a particular region. In addition to that, the President has appointed

commissioners to be sent to for all regions to supervise the progress of the campaign on the spot.

IF [INTERFAX] Note: The Prime Minister said the government was planning to buy 10m tonnes of grain from the farmers for rubles at the following per tonne prices: 10,000 rubles for durum wheat, 7,500 rubles for rye, 13,300 rubles for buckwheat, 10,400 rubles for rice, and 9,000 rubles for maize.

In addition to that, the government is going to buy 3m tonnes of grain for hard currency, also from Kazakh farmers. The premier admitted, though, that the farmers had reasons to mistrust the government for it still had not paid them last year's debt of \$7.5m. The per tonne hard currency prices offered by the government are \$85 for high-standard durum wheat, \$90 for maize, and \$100 for rice.

Tereshchenko said that now Kazakhstan would be in no hurry to sell grain. In his opinion the greatest profits can be made by selling grain in April and May 1993.

He expects Russia and the Central Asian CIS states to continue buying grain outside the CIS for another 10-15 years. He estimates their annual need at 25-30m tonnes. Kazakhstan has set itself the long-term objective of exporting up to 10m tonnes of grain a year at world prices.

The Prime Minister emphasized that Kazakh farmers were making good profits by selling grain to the government. Thus, with a purchase price of 9,000 rubles per tonne, the profitability of grain production will rise by 300-400%.

[Moscow TV in Russian at 1700 GMT on 23 July in a similar report adds: "Of all the former USSR republics, only Kazakhstan is able to export grain."]

Alma-Ata Officials Call For Peaceful Elections

LD2307180892 Alma-Ata Kazakh Radio Network
in Russian 2300 GMT 22 Jul 92

[Text] The department for links with public political organizations and the examination of interethnic issues of the Alma-Ata city administration has appealed to parties and movements. The appeal says: The election campaign for seats in the parliament of our young state is drawing closer. Therefore, one would like to warn public political organizations in advance against poorly thought out and adventurous methods for nominating their candidates. All measures should be taken to avoid calls for interethnic strife or political speculation on the sacred feelings of individual social strata of the population or groups.

President Nazarbayev has remarked that the world knows Kazakhstan as a state which initiates peace-making ideas and is distinguished by stability in society. It is a target for all political movements to strengthen this beneficial mood of the country.

The appeal stresses the possibility that has emerged for all parties and movements to show and try their forces in a specific and noble cause—the struggle for high quality harvesting operations. Its results will be the propitious moment both for the republican government and all parties and movement for implementing their ideas into care about the well-being of the population while avoiding rally-type passions.

The appeal is signed by Bulanbayev, head of the department, his deputy and leading specialists. Incidentally, they represent eight public political movements and parties of the Republic of Kazakhstan.

Kyrgyzstan

Further on Talks With Turkish Foreign Minister

TA2307161692 Ankara ANATOLIA in English
1545 GMT 23 Jul 92

[Text] Ashgabat, July 23 (A.A)—Turkey and Kyrgyzstan on Thursday [23 July] signed a security protocol foreseeing cooperation in the fight against crime and for social security.

The agreement was signed by Interior Minister Ismet Sezgin who was in the Kyrgyz capital Bishkek for talks with security officials, and his counterpart Abdibey Sultalinov.

Another agreement foreseeing cooperation between the police organizations of both countries was also signed. The same agreement will later be signed by Kazakhstan, Turkish Republic of Northern Cyprus, Uzbekistan, Turkmenistan and Tajikistan.

Sezgin later left for Turkmenistan, where he will be the guest of his Turkmen counterpart, Serdan Charyyrov.

Turkey and Turkmenistan signed a cooperation agreement earlier in April.

Sezgin told reporters during his visit, he will have talks with senior security officials concerning the application of the said agreement.

More on Call for New Constitution

OW2307200192 Moscow INTERFAX in English
1838 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] On July 24th, the Kyrgyz Supreme Soviet will resume the debate on a draft constitution. The 3rd Variant, put forward by President Askar Akayev's Parliamentary Commission, favours a presidential government, the other two parliamentary and combined government.

Leonid Levantin, the President's legal advisor, told journalists on Thursday [23 July] that he had spoken in favour of the presidential variant, considering that only

this can realistically strengthen the Kyrgyz state and guarantee the rights and liberty of its citizens.

Recognising that parliament, by accepting the Constitutional Commission's draft, would take a step towards its own dissolution with democratic structures not yet mature enough to take on power, Leontiyev proposed fixing deadlines for the implementation of constitutional clauses that affect legislative power.

Parties Express Anti-Russian Sentiments

LD2407075992 Moscow Programma Radio Odin
Network in Russian 1500 GMT 23 Jul 92

[Text] The Kyrgyzstan National Renewal Party (Partiya Natsionalogo Vozrozhdeniya Kyrgyzstana) is proposing that privatization be halted in the state sector since most shares are going to the city, non-Kyrgyz population. At an evening session of the republic's Supreme Soviet, representatives of the party criticized the program of the Askar Akayev government only because most of the people who developed it were Russians. Asaba [democratic youth organization] has already demanded in the press that the formula which says that land is the property of the peoples of Kyrgyzstan be changed. The party, which has slightly more than 600 members, proposes that land be declared property only for the Kyrgyz people. Asaba intends to introduce a law on civil immigration to parliament which will supposedly allow the proportion of Kyrgyzians in the republic's population to increase to at least 70 percent in a very short time.

Tajikistan

Inability To Stop Fratricidal Conflicts Noted

PM2407133392 Moscow IZVESTIYA in Russian
24 Jul 92 Morning Edition p 1

[Aleksandr Karpov report: "Situation in Kurgan-Tyube Out of Control"]

[Text] Dushanbe—The Tajik authorities have failed to stabilize the political situation in Kurgan-Tyube Oblast for three months now.

At the latest session of the republic Supreme Soviet Presidium I. Kurbanov, acting chairman of the Kurgan-Tyube Oblast Executive Committee, reported that armed groupings, some of which are answerable to no one, are continuing to operate in many parts of the region. A large number of serious crimes—murder and robbery—are being committed in the oblast. More than 200 people have died. Four hundred people have been wounded, and more than 300 inhabitants are reported missing.

According to Kurbanov's statement, the situation is out of the control of the official authorities. Moreover, they are not in a position to exert control today. Kurbanov proposed that a state of emergency be declared in

Bokhtarskiy and Bakhshskiy Rayons, the cities of Kurgan-Tyube and Kalininabad, and a number of other population centers and that talks be conducted among representatives of all parties, movements, and armed formations under the chairmanship of the president of the republic designed to conclude with the signing of a protocol on ending the bloodshed.

In the opinion of Internal Affairs Minister M. Navzhanov, the measures taken to ease the situation in Kurgan-Tyube Oblast have not been yielding the desired results because these efforts have lacked a clear program to date. The plan for further action proposed by him includes measures to exert legal and political pressure on the opposing sides aimed first and foremost at securing an absolute ban on the use of weapons. To ensure the population's safety, extra guardposts are to be set up on the border of Kulyab and Kurgan-Tyube Oblasts by the law-enforcement agencies and CIS troops. The number, numerical strength, armament, and places of deployment of the illegal formations are now being clarified, the minister reported. Special subunits of the Internal Affairs Ministry have started disarming these groupings.

More Than 200 Said Killed

LD2407040192 Moscow Radio Rossii Network
in Russian 0000 GMT 24 Jul 92

[Text] The situation in Tajikistan's Kurgan-Tyube Oblast is still complicated. (U) and the ANI agency note that there is an increasing number of armed groups which are not under any control and are engaged in robbery and marauding. According to a statement by Kurbanov, chairman of the Kurgan-Tyube Oblast Soviet, more than 210 people have been killed and 400 wounded so far.

Tajik-Afghan Border Situation Noted

OW2407044192 Moscow Central Television First
Program and Orbita Networks in Russian 1845 GMT
15 Jul 92

[From the "Utro" program's "Tele-Inform 'Radara'" feature; presented by G. Sedov]

[Text] The borders are not calm. [video shows hole dug under a border fence, a Russian officer talking to civilians, weapons and other items on the ground, and an armed civilian]

More than 4,000 border violators have been detained so far this year—twice as many as last year. Almost 8 million rubles worth of smuggled goods have been seized. Five servicemen were killed in skirmishes, and 25 were held hostage. Here is the latest news—two clashes have occurred in the area patrolled by the Pyandzh border unit. One offender was killed during these clashes and four were detained; weapons were also confiscated. During one night skirmish, nearly 200 local Tajik inhabitants gathered at the border. They demanded that the

border into Afghanistan be opened. Shots were fired from the crowd toward the border detachment.

Further on Border Clashes

LD2407105192 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1400 GMT 23 Jul 92

[From the "Novosti" newscast]

[Text] Peoples' deputies from Kulyab and Leninabad Oblasts have issued an ultimatum to the Tajikistan president and parliament. They demand an immediate emergency session on the socio-political situation in Tajikistan, which is being considerably worsened by the situation on the Tajik-Afghan border.

[Dushanbe correspondent] [video shows border guards on patrol] These video shots were made at one of the Pyandzhskiy border troop units. Fighting goes on here almost daily. Militants from various illegal Tajik formations, after obtaining all kinds of weapons from the Afghan mujahidin—obviously, for some compensation—attempt to carry them across the river to the Tajik side under cover of the night, to be handed over, as a rule, to their own people.

[Border guard] Today the patrol was fired at again. In response, I had to use grenades. They went quiet. They shot at the patrol with automatic weapons. The patrol took high-caliber automatic weapons fire from the other bank. The bullets fell behind us.

[Correspondent] Clearly, in this situation it is difficult to keep the border under lock and key. Besides, many border servicemen, having found themselves without reinforcements and the necessary resources, have every reason to ask whose border they are supposed to guard anyway—being virtually trapped here, forgotten by both the Tajikistan authorities and CIS leaders.

General on Border Situation

OW2307190892 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[Prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] As has been reported, President Rakhmon Nabiyev ensured the support of the Russian Federation President Boris Yeltsin to protect the southern borders of Tajikistan. At the request of the subscribers, we provide comments on the situation on the Tajik-Afghan border by first deputy commander of the Central Asian border district Lieutenant General Anatoliy Martovskiy.

Guard duty on the southern borders of the Commonwealth is a serious problem, said he. This is particularly obvious on the Tajik-Afghan border, emphasized he.

IF [INTERFAX] Note: This subject, and others, including the creation and use of collective peace forces in the conflict zones on the territory of the former Soviet Union was discussed by ministers of foreign affairs, defense ministers and commanders of the border troops of the CIS states and a working group of the CIS nations which took place in Tashkent. The conference covered four issues of those on the agenda. Two related to the state and reliability of the protection of the southern borders. Discussion also covered the structure, staff and operation of the standing working body: the council of the commanders of the border troops.

Under the present-day situation, Martovetskiy says it is necessary for summits to discuss the situation on the Tajik border. According to him, "Even recently, the Tajik-Afghan border was violated by the Afghans living in the border area. Today small groups of smugglers stream to Afghanistan for weapons. Some of the smugglers manage to break through to the neighboring side. Some time later they attempt to return with small arms and ammunition to Tajikistan. In 11 cases the border crossers staged a firefight, killing two border guards." The border guards are doing their best to protect the border. They have apprehended 510 border crossers, seized 70 firearms, 17,000 ammunition units and 5 mn. rubles worth of smuggled goods.

They could do better, said the general, but the units are in a bad state in Tajikistan. They have half the regulation strength. "Local young men are reluctant to join," says he, "and some desert as soon as they arrive at the base." The units must be immediately brought to full strength, said he. Russia is expected to send reinforcements, and Tajikistan is expected to send 12,000 men. The same number of Tajik men will serve in Russia by agreement with Russia.

Nabiyev Signs Decree on New Migration Service

PM2307141792 Moscow IZVESTIYA in Russian
22 Jul 92 Morning Edition p 7

[Aleksandr Karpov report: "Tajikistan: Migration Service Set Up"]

[Text] Dushanbe—Tajik President R. Nabiyev has signed a decree setting up a migration service in the republic.

Hitherto the process of migration happened on its own, as it were. For the last three years the Tajik Government has noted large losses of highly qualified specialists leaving the republic. Whereas previously it was mainly sociopolitical instability that drove the nonindigenous population out of the republic, Tajik families have now begun leaving their homes under the pressure of the tragic events of the last few months. Local newspapers reported recently that the number of enforced migrants in Kurgan-Tyube and Kulyab Oblasts has exceeded 100,000 people.

"The migration service's tasks include helping refugees with the whole range of problems with which they are confronted," Sh. Zukhurov, chairman of the republic's State Committee for Labor and Social Problems, said. "As well as paying single-payment subsidies, creating social conditions, and finding them jobs...."

[Karpov] Will the new service only tackle internal migration?

[Zukhurov] No, not only. A great deal of serious work lies ahead at interstate level. We must also help those residents of Tajikistan who have for some reason decided to go to a CIS country.

Shokhin Sees Bilateral Ties As Policy Priority

OW2307142892 Moscow INTERFAX in English
1326 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] At a press conference in Dushanbe following Tajik-Russian negotiations, Russian Vice-Premier Aleksandr Shokhin said Russia regarded the development of its relations with Tajikistan as one of its foreign policy priorities. He said a draft for a treaty on friendship and cooperation between the two countries was practically ready and will soon be examined by presidents.

Turkmenistan

Turkish Interior Minister Arrives for Talks

TA2307203892 Ankara TRT Television Network
in Turkish 1700 GMT 23 Jul 92

[Excerpts] An agreement envisaging Turkish aid to Kyrgyzstan on the struggle against crime and on ensuring security has been signed in Bishkek. Interior Minister Ismet Sezgin, who has concluded his contacts in Kyrgyzstan, has left for Turkmenistan. Seref Yigit from the Turkish Radio and Television team reports:

[Begin recording] [passage omitted] Sezgin later left for Ashkhabad, capital of Turkmenistan. At Ashkhabad Airport Sezgin was received by Turkmen Internal Affairs Minister Serdar Charyyrov. Speaking here, Sezgin said that bilateral cooperation should not remain on the level of the interior ministers. He added that Turkey's goal is not only to sign agreements with the Turkic republics but to make sure that they are implemented as well. Sezgin said that a number of Turkmen youths and security personnel will be trained in Turkey. He further stressed that there are many possibilities for cooperation between the two countries.

Charyyrov stressed the need for the two brotherly countries to come closer together and to establish close ties of cooperation. He added that especially the issues of [words indistinct] will be discussed at the talks to be held. [end recording]

Meets With Niyazov

TA2407111692 Ankara *Turkiye Radyolari Network*
in Turkish 1000 GMT 24 Jul 92

[Text] Interior Minister Ismet Sezgin is continuing his contacts in Turkmenistan. Turkish Radio and Television correspondent Seref Yigit reports from Ashkhabad:

Sezgin made his first visit to a police academy in Ashkhabad today. In a statement here, Sezgin said that steps will be taken to bring some of the youths studying at the police academy to Turkey for further training. He added that Turkey will help and support Turkmenistan in achieving social order.

Serdar Charyyarov, Turkmen minister of internal affairs, thanked Turkey for the support extended to and interest shown in Turkmenistan and added that his country wants to develop bilateral relations in all fields. Meanwhile, four students from the academy volunteered to go to Turkey.

Sezgin was later received by Turkmenistan President Saparmurad Niyazov. In a statement at the meeting, Niyazov expressed his feelings of brotherhood and friendship for Turkey and said that his country wants closer cooperation. Noting that various Turkish businessmen have begun investing in Turkmenistan, Niyazov added that the number of investors will increase in the future.

Meanwhile, a protocol envisaging the establishment of a sports union comprising the police organizations of the Turkic republics will be signed by Turkey and Turkmenistan tomorrow.

Russia To Assist in Setting Up Armed Forces

LD2407141192 Moscow *ITAR-TASS in English*
1244 GMT 24 Jul 92

[Text] Ashkhabad July 24 TASS—Russia will help Turkmenistan create its own armed forces, according to an agreement reached by the Turkmen and Russian delegations in Ashkhabad on Friday [24 July].

The delegations are headed by Turkmen Deputy Prime Minister Yagmur Obezov and Russian Vice-Prime Minister Aleksandr Shokhin.

The delegations finalised a protocol on border troops and several agreements, including on friendship and cooperation between the two states, on joint activities in connection with the creation of the republican armed forces, on diplomatic cooperation and on issues concerning the foreign debt of the former Soviet Union.

First Oil Strike Made in Central Karakum Desert

PM2407130192 Moscow *Teleradiokompaniya*
Ostankino Television First Program Network
in Russian 1400 GMT 21 Jul 92

[From the "Novosti" newscast: Video report by K. Babayev and B. Atayev]

[Text] Central Asia is attracting increasing interest among Western businessmen in regards to energy resources. Reports of discoveries of new deposits have been coming from this region. In Turkmenia, for example, the first commercial oil gusher in the central Karakum Desert has been struck.

The level of oil extraction in the west of Turkmenistan, the republic's main oil-bearing region, has decreased from 16 million to 5 million tonnes per year. As a result, prospecting has shifted to the very heart of the desert. The Turkmenneft production association entrusted prospecting operations some 600 km from the main base to the Karakum Exploratory Drilling Directorate collective. The collective has worked three years for this victory. Here it is—a hot oil-bearing gusher which saturated this deep sand dune in a matter of seconds. This borehole on the Alakul field alone will produce more than 100 tonnes of high-grade crude oil per 24 hours.

Bakhardok and other nearby sheep-rearing settlements are bound to change significantly. The question is how quickly this will happen. Will the new oilfields be provided with a full-scale infrastructure? It is difficult to answer these questions. Oil workers are unanimous in their complaints about shortages of everything—well casings, construction materials, means of mechanization—and also the absence of modern technologies. The sector will not be able to manage without substantial capital investments. Average wages in the aforementioned Karakum Directorate total no more than 3,500 rubles. This can hardly be described as adequate reward for work in a roadless and waterless inferno in temperatures of 50 degrees Celsius.

Uzbekistan

Republic's National Guard Swears Military Oath

PM2407101992 Moscow *Teleradiokompaniya*
Ostankino Television First Program Network
in Russian 0500 GMT 21 Jul 92

[From the "Novosti" newscast]

[Text] Uzbekistan's National Guard has taken a solemn military oath. It now numbers some 1,000 guardsmen. The military unit comprises an honor guard company, a special-purpose detachment, and a motorized rifle regiment. The combat readiness of these subunits is relatively high. Their purpose is to discharge combat tasks in emergency situations. This includes counterterrorism, freeing hostages, detaining and eliminating groups

engaged in sabotage and intelligence gathering. [video shows oath-taking ceremony; caption reads "Filmed 20 July"]

Former Afghan General Residing in Tashkent

*OW2207194692 Moscow INTERFAX in English
1849 GMT 22 Jul 92*

[Transmitted via KYODO]

[Text] An officer in the Uzbek national security service has told our correspondent that General Dustom, one of the commanders of the Afghan army under the Najibullah regime, is quite open about the fact that he is staying in Tashkent. The officer said the general had come to the Uzbek capital to join his wife who was living there.

Dustom, who commanded army divisions stationed around Kabul, helped the mujahidin enter the city and take power.

Joint Cultural Center Formed With Azerbaijan

*LD2307221192 Tashkent Radio Tashkent Network
in Uzbek 0600 GMT 23 Jul 92*

[Summary] The Azeri-Uzbek Economic and Cultural Center has been registered in Samarkand oblast of the Republic of Uzbekistan. It will promote friendship between the fraternal peoples of these two countries, provide humanitarian aid, promote national culture, protect Turkish art and traditions, and strengthen cooperation in national economic spheres. In September of

this year, daily courses will be organized by this center in Samarkand for learning Azeri, Turkish, Arabic, Farsi, and other languages.

Turkestan Movement Leader's Trial Deferred

*OW2107224292 Moscow INTERFAX in English
2014 GMT 21 Jul 92*

[Transmitted via KYODO]

[Text] The court proceedings for the criminal case against chairman of the Turkestan regional movement Bakhrom Gaib, which was set for Tuesday [21 July] in Uzbekistan has been postponed until July 24. Gaib is accused of resisting police officers and of assaulting them.

Gaib told journalists that witnesses for the plaintiff's side and the policemen themselves were absent at the beginning of the trial. Gaib believes the criminal case against him was fabricated. According to his version, on April 26, 1992, "several people in plain clothes" attacked him and began beating him severely. Police arriving on the scene of the incident arrested the victim but not the nearby attackers. According to Gaib, his attempt to explain the "mistake" to the police officers was unsuccessful - he was beaten again, arrested, and held for 10 days.

The Turkestan movement has no fixed membership, but by the government's assertion, "has approximately 100,000 members" who stand for the unification of all Turkish republics, including Uzbekistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Tatarstan, and Bashkortostan into one state.

Armenia

'Purposeful Campaign To Discredit' Servicemen

PM2307105792 Moscow KRASNAYA ZVEZDA
in Russian 22 Jul 92 p 3

[Report by Sergey Knyazkov: "7th Army Appeals to Presidents"]

[Text] The KRASNAYA ZVEZDA Editorial Office has been visited by an officer delegated by the Officers' Assembly of the 7th Guards Army stationed in Armenia. In the officers' opinion, Russian and Armenian Government circles have, for unclear reasons, refused to sign a treaty on the status of the Russian Armed Forces in Armenia, which is allowing the Armenian Government and Defense Ministry to pursue an illegal policy with respect to Russian units, servicemen, and their family members. This attitude has been particularly unacceptable following the signing and initiation of the agreement to transfer the equipment and armaments of a number of Army units and combined units to Armenia.

The Republic's mass media, encouraged by the government and Defense Ministry, have been conducting a purposeful campaign to discredit Russian ("Slav") servicemen.

The Officers' Assembly at the Red Banner Guards Army Headquarters and Directorate, relying on similar appeals from officers' collectives at large and other units, and from former Russian Federation servicemen who are on the reserve list or who have retired on Armenian territory, has put forward a number of tough demands. These include, in particular, resolution of the question of the status of Russian troops on Armenian territory, the officer corps' conditions of service, and resolution of the question of the housing stock belonging to the Russian Armed Forces and discharged servicemen.

Until a decision is reached by the Armenian and Russian Governments on legal and social protection for servicemen and their family members, it is planned to suspend transfers of equipment and armaments and the provision of aid to the Armenian Defense Ministry.

A full list of the 7th Army's demands has been sent to the Russian and Armenian presidents, to the Republics' governments, and to the Supreme Soviet and Supreme Council.

Presidential Spokesman on Relations

LD2307144192 Moscow ITAR-TASS in English
1430 GMT 23 Jul 92

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan July 23 TASS—"Certain circles in Russia and Armenia are not interested in the development of relations between the two countries and impede the development of these relations", according to Ruben Shugaryan, spokesman for the Armenian president.

It is evident that there has been a chain of events showing the intention to "drive a wedge" between the seventh Russian Army stationed in Armenia and the Armenian leadership, he told TASS on Thursday [23 July].

Regarding the recent incident in Gyumri, former Lenakan, as a result of which five Russian servicemen were killed, Shugaryan said that the investigation of the case continues. "In view of the presumption of innocence we cannot interfere in the affairs of law enforcement bodies and cannot voice opinions". He said, however, it is apparent that the command of the Transcaucasian military district, deciding to take some equipment out of the Gyumri garrison, has not informed of this either the command of the Seventh Army or the local authorities or the Armenian Defence Ministry.

Talks Continue With Nagorno-Karabakh Leaders

LD2307144292 Moscow ITAR-TASS in English
1420 GMT 23 Jul 92

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan July 23 TASS—Political consultations between Armenian and Nagorno-Karabakh leaders, which began on Wednesday [22 July] with a working meeting between Armenian President Levon Ter-Petrosyan and members of Nagorno-Karabakh's parliament led by Georgiy Petrosyan, continued on Thursday.

An official report says the participants discussed a number of mutually important questions, in particular, ways to enhance the efficiency of humanitarian aid to Nagorno-Karabakh, and emphasised the need for coordinated actions in the international arena.

The sides noted the importance of working meetings between Armenian and Karabakh's leaders, the report said.

Commenting on the meeting, the press secretary of the Armenian president Ruben Shugaryan told TASS that such consultations are held on a permanent basis and that at present, they are needed primarily in the interests of "the international aspect of the Karabakh settlement".

Today, a need arose to coordinate actions of Karabakh and Armenia in political and economic spheres, and especially in the international arena, Shugaryan said.

"We are preparing for the Minsk conference on the Karabakh settlement and are working out our positions", he added.

Shugaryan pointed out that Yerevan's point of view remains unchanged: Karabakh and Azerbaijan are the warring sides, and the main questions should be resolved between them. Armenia, as a party concerned, will accept any decision of the Minsk conference, which will suit the interests of Nagorno-Karabakh, the Armenian official said.

Shugaryan admitted Karabakh and Armenia have close positions, but said that a uniform position was out of the question, as "it was senseless".

He also recalled that Dashnak Party was in power in Nagorno-Karabakh, which is in opposition to Armenian authorities.

Press Statement on 22 Jul Fighting Issued

*NC2307192192 Yerevan Radio Yerevan in Azeri
1330 GMT 23 Jul 92*

[Text] The Nagorno-Karabakh Republic Supreme Soviet Press Center issued a disclosure on 22 July, saying:

The postponement of the CSCE debate on the Nagorno-Karabakh problem has given Azerbaijan a chance to broaden the scope of its aggression against the Nagorno-Karabakh Republic [NKR] and reinforce its military strength with more modern military hardware. Stepanakert, NKR's capital, has been bombed by SU-25 aircraft for the third consecutive day. The bombing raids have caused casualties and damage. There is no military justification for bombing Stepanakert. The attacks threaten the lives of tens of thousands of people.

Strangely enough, the attacks have gone on before the eyes of the world. Nevertheless, NKR officials believe that the first condition for settling the issue is blocking Azerbaijan's aggression.

Further on Fighting

*LD2307234992 Yerevan Radio Yerevan in English
2140 GMT 23 Jul 92*

[Text] The ARTSAKH news agency reports the Armenian self-defense detachments keep under control the villages of Aterk, Umudlu, Zaglik, (?Zartarhaj), and the (?Sangsang) reservoir of Mardakert region, which had been liberated on 20 and 21 July. Yesterday [22 July], during the second half of the day large forces of the Azerbaijani Army armed with modern battle machines undertook an attempt to attack Gadrut region from (?Aghdaran's) weapon emplacements. After a short battle, the Azeris were thrown back with significant losses both in soldiers and machinery. About 50 soldiers were killed, two tanks of P-72 type and two armored machines were destroyed. Countrymen of Aterk continue to return to their abandoned houses, which had been completely plundered by the Azeris. An attempt of counterattack was made in the direction of Medzhan and (?Mokhratar) which had been recently won back by the Armenians. Due to well-organized actions of our self-defense forces, they were held back from here as well, bearing grave losses. Since today morning, the Armenian forces keep under their control Medzhan, (?Mokhratar), all the surrounding heights. In the whole territory of Mardakert region, nine Armenian soldiers have been killed and 11 injured. From Aladzhal, where Azerbaijani fire posts are situated, an attempt of tank attack was made by the Azeris near Syrkhavend. This attack was also held back. The information of the Azerbaijani side,

which has been spread by Russian mass media, concerning successful counterattacks by Azeris, is but another attempt to deviate people.

Azerbaijan

Baku Updates Situation, Clashes 20-23 Jul

*NC2307191792 Baku Radio Baku Network
in Azeri 1700 GMT 23 Jul 92*

[Text] The Azerbaijan Ministry of Defense Analytical Information Center's disclosure is as follows:

The situation in Kel'badzharskiy Rayon worsened on the night of 19-20 July. Armenian units launched an attack against Kel'badzharskiy Rayon from three directions. Violating Azerbaijan's state border, they attacked Yukhary Ayrum. The Azerbaijani Armed Forces units halted the enemy offensive. The Armenians suffered casualties and were forced to retreat. The second attack came from the occupied towns in Lachinskiy Rayon. The Azerbaijani units forced the enemy to retreat. The Armenians are trying to reinforce their positions in the direction of Aterk. They are trying to redeem what they lost in Agdere [Mardakertskiy] Rayon. Violent clashes are taking place in the direction of Aterk.

As reported earlier, the enemy is massing its units and military hardware in the direction of Agdere Rayon. The towns liberated by the Azerbaijanis in Agdere Rayon were intensively shelled with artillery 21-23 July. Relentless clashes have taken place in the direction of Agdere Rayon during the past few days. Azerbaijani units control (Medzin) and (Mokhratak). Regardless of the large force the enemy has massed in the region, the Azerbaijani units are trying to keep Sarsangsk Reservoir under their control.

Agdam city, Khydyrly, and Chukhur Mekhle were fired on from Askeran city and Khanabad with various types of arms on the night of 20 July. An Armenian position manned by 12 men, which housed an artillery piece, was destroyed.

The situation in our border areas was relatively calm last night. Agdam town in Tauzskiy Rayon was fired on from the direction of Berd in Armenia with automatic firearms and machine guns. One of our soldiers was wounded. Sadarak in the Nakhichevan Autonomous Republic was fired on from Armenia periodically. No one was injured.

The situation in Kazakhskiy, Akstafa, Kubatlinskiy, Zangelanskiy, Dzhebrailskiy, and Fizulinskiy Rayons has been relatively peaceful.

Armenian Counteroffensive Called 'Success'

*OW2307141292 Moscow INTERFAX in English
1326 GMT 23 Jul 92*

[Transmitted via KYODO]

[Text] Azerbaijan's Defense Minister Raghim Gaziyeu has told the national Parliament the Armenian counter-offensive in Nagorno-Karabakh was a success because, acting on a call from the CSCE [Conference on Security and Cooperation in Europe] conference in Rome, Baku introduced a unilateral ceasefire on July 9. Parliamentary hearings on the situation in Karabakh opened in Baku Wednesday [22 July].

Armenians To Be Returned as 'Goodwill Gesture'

TA2307210692 Ankara TRT Television Network
in Turkish 1700 GMT 23 Jul 92

[Text] While the fighting between the Armenian and the Azerbaijani forces is continuing, Azerbaijan, as a goodwill gesture, has decided to send 19 civilian Armenians to their country on Saturday, 25 July.

Isa Kamberov, chairman of the Azerbaijani Supreme Soviet, has said that despite the fact that Azerbaijan has, time and again, stated that it favors the solution of the Karabakh problem through negotiations, this could not be realized because of Armenia's intransigence. Ihsan Gunal from the Turkish Radio and Television [TRT] team in Baku reports:

[Begin recording] Kamberov said that despite the fact that they have, time and again, stated that they favor the solution of the Karabakh problem through negotiations, this could not be realized because of the intransigent attitude of Armenia. He was speaking at a news conference in Baku soon after the Russian Federation submitted its peace plan. He said that the clashes in Karabakh and the other regions stem from the intransigent attitude of Armenia. Stressing that the CSCE and the CIS member countries, with the exception of Armenia, acknowledged the fact that Karabakh belongs to Azerbaijan, Kamberov added that Azerbaijan expects Armenia to respect these decisions.

Soon after Kamberov's news conference, it was announced that 19 civilian Armenians, who have been residing in Azerbaijan for the last month, will be sent to Armenia as a goodwill gesture. These Armenians, who will be sent to their country though the Red Cross, are expected to leave Baku on Saturday. Meanwhile, two elderly Armenian women told TRT correspondent Kemal Arslan that they were sent to Armenia a while ago but that they were not accepted there on the grounds that they have no financial means and no relatives. Azerbaijani officials said that these two elderly women will remain in Baku and their needs will be met.

Meanwhile, reports of clashes are arriving from the front. The Armenians who have continuously been amassing troops in Agdere [Mardakert] in northern Karabakh, are continuing their artillery fire and Grad missile attacks on the villages under Azerbaijan control. It is reported that the Armenians have intensified their attacks especially on the villages of Aterk, Metschen, and Muhurata. The Armenians, who are trying to recapture their emplacements in the region, are faced with strong

Azerbaijani resistance. The Azerbaijani forces are, on the one hand, trying to resist Armenian attacks, and on the other, are trying to gain full control of the Sarsang Dam and its vicinity. [end recording]

Defense Ministry Confirms Loss of Aircraft

OW2307135892 Moscow INTERFAX in English
1326 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] On Thursday [23 July] Azerbaijan's Defense Ministry acknowledged that last Tuesday, July 21, an Azeri combat aircraft was downed in what the Ministry described as a move to liberate the village of Mokhradag in the Agderinski district. Stepanakert said Wednesday that an SU-25 attack plane was downed by return fire when it was attacking the Armenian-populated village of Chldran. The fate of the pilot remains unknown.

Azerbaijan's Defense Ministry also said that in the small hours of Thursday Azeri self-defense forces had recaptured the village of Zardakhach in Agderinski district. The same district is known as Mardakert in Armenia. According to the Ministry, the village Sur in the Djabrail district of Azerbaijan had come under Armenian artillery and rocket fire. Over the past 24 hours, the Ministry said, Azeri self-defense forces had hit three Armenian T-72 tanks and two mechanized infantry fighting vehicles.

Azerbaijan's Zanghelanski district and the township of Sadarak in the Nakhichevan autonomy had also come under attack from Armenian territory. Casualties and destruction were not reported.

War Said Not To Blame for Economic Problems

OW2307180492 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] "Some presidential decrees are being prepared to radically change the state administration system," President Abulfaz Elchibey's adviser on strategic programs, Sabit Bagirov, said at yesterday's [22 July] cabinet meeting called to sum up the results of the republic's economic development for the first six months of the year.

Prime Minister Ragim Guseinov said at the meeting, "We cannot blame the war currently being waged on the territory of Azerbaijan for all our economic problems." He thought that, on the contrary, the situation made it necessary "to use all resources to pull the republic out of the economic crisis." The meeting discussed measures to work out an efficient mechanism for controlling the entire economy in a situation where the old management structures had fallen apart and new ones were still in the

making. Speaking about the financing of the economic reforms, First Vice-Premier Vakhid Akhmedov said Azerbaijan's membership in several international banks, including the Islamic Development Bank, and the European and International banks for reconstruction and development, would enable the republic to receive tremendous foreign credits. However the credits, Akhmedov warned, would only be given to finance specific projects.

IF [INTERFAX] Note: According to statistics given at the meeting, the budget deficit in the first six months of the year amounted to 11bn [billion] rubles. Government economic experts expect the figure to go up by the end of the year. In terms of today's prices, Azerbaijan will need some 20bn rubles for additional grain purchases alone. The republic does not manage to sell more than about 60% of its manufactured goods, the rest remaining in warehouses.

Parliamentarian Backs Russian Caucasus Policy

OW2307195092 Moscow INTERFAX in English
1838 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] Chairman of the Milli-Medjlis (Parliament) of Azerbaijan Isa Gambarov announced that Azerbaijan "has nothing against" Russia's current policies in the Transcaucasus. At a press conference Thursday [23 July] in Baku, Gambarov said that Russia, "having taken a constructive position, is trying to maintain its influence in the area." The Azerbaijani leader commented upon Moscow's "balanced and neutral position" in her efforts toward the settlement of the Armenian-Azerbaijani conflict.

Gambarov stated that Azerbaijan will "seriously study" Russia's proposals on the settlement of the conflict which the special envoy, Vladimir Kazimirov, recently brought to Baku. Gambarov didn't clarify the essence of these proposals.

The chairman of Parliament declared that Milli-Medjlis plans to decide by the end of September whether Azerbaijan will participate in meetings with CIS heads of state. He indicated that this will be possible when Azerbaijan has reached an agreement with the CIS as the whole, as an entity in its own right.

Primakov Implicated in 1990 Baku 'Carnage'

LD2207212492 Moscow Russian Television Network
in Russian 1900 GMT 22 Jul 92

[From the "Vesti" newscast]

[Text] Over two years have passed since that terrible January in 1990 when special subunits of the Soviet Army and the USSR KGB unleashed bloody carnage in Baku in order to suppress the unruly, as a result of which hundreds of innocent Azerbaijani citizens perished.

The parliamentary commission of the Republic that investigated these events on 22 July handed the case over to the Republic's procurator's office, and the investigation group flew to Moscow to interrogate a number of individuals guilty of organizing the Baku mincing-machine.

It has been proven that the order to open fire upon peaceful citizens came from the mouth of the unforgettable Marshal Yazov himself. General Lebed, the present commander of the 14th Army, who is introducing law and order into Moldova, indirectly executed these orders. Primakov, present chief of Russian intelligence, was the main organizer and inspiration of the tragedy in Baku.

Fuget Guseynov Appointed Defense Representative

NC2407063792 Baku Radio Baku Network
in Azeri 1700 GMT 22 Jul 92

[Text] Defense Minister Rakhim Kaziyeu has issued the following order:

To coordinate unit activities in the rayons in which combat operations are taking place, [words indistinct], improve combat readiness, and strengthen military discipline, I order the following:

1. Fuget Sahib ogly Guseynov, deputy prime minister and plenipotentiary representative of the president of Azerbaijan in the area under presidential rule, be appointed the fully empowered representative of the Azerbaijani defense minister.
2. This order be brought to the attention of all the officers of the Azerbaijan Armed Forces.

[Signed] Defense Minister Rakhim Kaziyeu

Georgia

Shevardnadze Televised on Hopes for Compromise

OW2307175792 Moscow INTERFAX in English
1658 GMT 23 Jul 92

[By Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko; from "Presidential Bulletin"—transmitted via KYODO]

[Text] In a television broadcast on the eve of his departure for western Georgia, the Chairman of Georgia's Council of State Eduard Shevardnadze said Mingreliya was the heart of Georgia and Georgia's topmost priority lay in bringing it back to active life.

IF [INTERFAX] Note: Mingreliya is an area in the center of western Georgia. It is the homeplace of Stalin's close aide and chief of the Soviet repressive service in 1938 to 1953 - Lavrenti Beria, and Georgia's ousted President Zviad Gamsakhurdia.

Shevardnadze described the places he was going to visit as the areas where the bulk of the ousted President's forces were massed and rampaging at large. He said the two coming days invited great hope and expectation. They were days of great compromise.

Instead of seeing his visit as routine, the Georgian leader regarded it as a mission of utmost importance both for himself and the members of the State Council and Ministers who would be accompanying him to the area of confrontation. Everyone realized, Shevardnadze pointed out, that Georgia would not be able to live if her heart stopped beating.

Eduard Shevardnadze admitted his mission involved a degree of risk but said he had no right to cancel it. He concluded by saying God's blessing had always rested on his country, so may Georgia be blessed again today.

Shooting Reported Near Shevardnadze Residence

LD2407104292 Moscow *ITAR-TASS*
in English 1027 GMT 23 Jul 92

[By *ITAR-TASS* correspondent Albert Kochetkov]

[Text] Tbilisi July 24 TASS—Shooting, started by unidentified persons, lasted for about four hours near the residence of Eduard Shevardnadze in Tbilisi last night [23 July]. The chairman of the Georgian State Council was away in western Georgia where he had gone the day before.

The Georgian law enforcement officers immediately surrounded the residential area where the residence is located, but failed to arrest any of the participants in the shooting. No fatal casualties were reported. A militiaman from the cordon got wounded by a stray bullet. The wound is not serious.

According to the official version, it is the hospital building of the Ortachal Prison that was the target of the shooting. The government residence of Krtsanisi is located higher at the same hill. Shevardnadze has been living there since his return to Georgia last March.

Abkhaz Supreme Soviet Revokes 1978 Constitution

LD2307163992 Moscow *Mayak Radio Network*
in Russian 1400 GMT 23 Jul 92

[Text] According to NEGA agency, the Abkhazia Supreme Soviet adopted a resolution on 23 July. It is entitled: On the Cessation of the 1978 Constitution of

the Abkhaz Autonomous Soviet Socialist Republic. According to the decision of the parliamentarians of Abkhazia, throughout the republic's territory the 1925 Constitution will be in effect until a new constitution is adopted. It defines the status of Abkhazia as follows: Abkhazia is a sovereign state, exercising state power throughout its territory on a self-reliant basis and independent from any other power [samostoyatelno i nezavisimo ot kakoy-libo vlasti]. The session also confirmed the symbols of Abkhazia—the republic's flag and coat of arms, and adopted a new official title—Republic of Abkhazia.

Situation in Tskhinvali Region Deemed 'Normal'

OW2307140892 Moscow *INTERFAX* in English
1326 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] In an interview with IF [*INTERFAX*] today [23 July], the deputy commander of the Transcaucasian Military District, Lt.-Gen. Sufiyan Beppayev, described the situation in the Tskhinvali region as normal.

He said the joint command of the peace-keeping force had had a meeting yesterday at which it was decided to use two tanks with mine sweeps to clear the area of land mines. The mine sweeping work was started this morning.

Asked about the helicopter regiment, Beppayev replied that its withdrawal was coming to an end. According to his information, a mere eight helicopters and a small quantity of ammunition have been left but these will be removed very shortly.

Commission Set Up To Protect Media Secrets

OW2307213392 Moscow *INTERFAX* in English
1838 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] In Georgia Thursday [23 July] a state commission was set up to protect mass media secrets, the Georgian information agency Sarke announced. Established on the base of the previously liquidated Glavlit, the inspection should soon develop a list of state secrets which will then be submitted to the government for approval.

Estonia**Russian Ship Detained for Removing Buoys**

*LD2307164892 Tallinn Radio Tallinn Network
in Estonian 1200 GMT 23 Jul 92*

[Text] The Baltic News Service has been informed by the Waterways Department that last night, near Parnu, Estonian border guards detained a Russian GS-108 hydrography ship while it was removing buoys. The ship was requested to enter Parnu harbor as the Border Guards Department had not been notified about the ship's movements, said Kalle Pedak, deputy director general of the Waterways Department. Pedak added that representatives of the waterways and border guards departments had reached agreement with Popov, head of Tallinn hydrography district, who ordered the ship to replace the buoys. When this is done the ship can proceed to Rohukula without carrying out any further work. The ship has since been allowed to leave.

The hydrography ship is subordinated to the Baltic Navy. Ants Toomepuu, head of the marine section of the Border Guards Department told the Baltic News Service that the Russian hydrography service is currently engaged in removing sea markers, and power units and optical facilities from lighthouses, etc. If this continues, traffic in the coastal waters may come to a halt, Ants Toomepuu added.

5th Round of Talks With Russia Close

*OW2307212992 Moscow BALTFAX in English
1902 GMT 23 Jul 92*

[Transmitted via KYODO]

[Text] The fifth round of the Russian-Estonian negotiations closed in Lohusalu, near Tallinn.

The heads of the two delegations, Russia's Ambassador at Large Vasilii Svirin and Estonian State Minister Uno Veering, said at the press conference on the results of the round of talks that the parties had failed to initial any agreement.

Vasilii Svirin said that the results of this round might be viewed from different angles. "Although we failed to initial a single agreement, a very vast work on discussing a wide range of issues has been accomplished", said Mr. Svirin. He added Russia welcomed Estonia's decision to resume the negotiations on military issues and proposed a schedule for the Russian armed forces' withdrawal from Estonia for this year. Under the schedule, 44 units totalling 6388 people will be withdrawn from the republic until the end of the year. This figure amounts to a quarter of the Russian land forces in Estonia. However, the schedule fails to provide for the Russian armed forces withdrawal from Tallinn within this year. Vasilii Svirin said Russia's delegation "was working on the possibilities" to accomplish the withdrawal in the first half of the next year.

Estonia's demand is to withdraw Russian forces from the Estonian capital in the first place.

The negotiations failed to touch on the deadline for the final withdrawal, for, as the Russian delegation head said, "the parties did not change their positions".

The Estonian delegation head, Uno Veering, said that the two delegations could not reach an agreement on many issues because of different historical and legal assessments of the Russian-Estonian relations.

Uno Veering also said that the two delegations agreed to immediately work out agreements and set up a bilateral commission for exchanging consumer goods, mutual accounting and other economic issues. [Moscow ITAR-TASS in English at 1506 GMT on 23 July in a similar report adds: "Estonia's negative trade balance with Russia stands at 3.8 billion rubles. Vasilii Svirin, head of the Russian delegation at the talks with Estonia, told journalists today. "We could stop our deliveries, but we have not done this, and in essence we are continuing to offer Estonia trading credit".]

The delegations failed to reach an agreement on the time of their next meeting, but, Uno Veering says, it will be held no earlier than in September.

Veering Comments on Talks

*LD2407082792 Tallinn Radio Tallinn Network
in Estonian 1400 GMT 23 Jul 92*

[Interview with Uno Veering, head of the Estonian delegation at the talks with Russia on troop withdrawal, by unidentified presenter on 23 July—live or recorded]

[Excerpts] [Presenter] Estonian and Russian delegations have been working at Lohusalu for four days. A lot of work has been done, but it was acknowledged at today's news conference that not one agreement was initiated. [passage omitted] In respect to the main issue, the Russian troop withdrawal, the Russian side has become more specific regarding the current year. A schedule for Russian troop withdrawal by the end of 1992 was presented to you. According to Mr. Vasilii Svirin, head of the Russian delegation, a quarter of the 20,000 men will be withdrawn.

[Veering] Yes, this schedule was indeed presented to us, and we have it black and white, with signatures. Unfortunately, I must say immediately that it does not please the Estonian side, because the schedule does not mention any withdrawal starting from the capital. In addition, if we look at the proposed speed of withdrawal, we see nothing in the schedule that is as speedy as we would like. In other words, we presented our side's calculations, a specific schedule of our own, and I think that this one meets the interests of Estonia because the deadlines in this draft schedule are very short.

[Presenter] Specifically?

[Veering] Well, the main and complete withdrawal, I would say, should take place by the end of 1992, with some exceptions. For example, some storage facilities or some very large installation which could not be physically removed by this end of the year could be moved within the first months of next year, and so on. However, I do not wish to comment now in detail on the schedule, because this is part of the process of the talks. The Russian side has taken it away with them to Moscow and has promised to study it with their specialists. [passage omitted]

[Presenter] Vasily Svirin let it be understood today that during the first half of next year, 1993, the major part of the Russian troops will be withdrawn, and that next year will be the main period for troop withdrawal. However, this matter cannot wait and cannot be dragged out.

[Veering] Yes, that is so. This is why there was nothing left to us but to present our side's principled proposal in writing to the Russian side in an official manner. [passage omitted]

Russian Military Equipment Transfers Questioned

OW2307213192 Moscow BALTFAX in English
1902 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] A member of an Estonian state commission set up to determine whether deals with the Russian armed forces' property are legal, Vaino Villik, says that "so-called deeds of gift providing for transfer of military material and equipment to private companies deserve special attention".

Vaino Villik said that he personally thought it difficult to find an explanation of the deals other than Russia intends to create an economic basis for its "fifth column" in Estonia. The chairman of the commission, Andres Kork, added that the commission had already sued over 30 companies.

Results of the commission activities will be submitted to the government which is to decide whether it is necessary to enlist the Estonian secret service into the investigation.

Demonstrators Demand Rubiks Release, Citizenship

LD2407112292 Moscow Russian Television Network
in Russian 1600 GMT 23 Jul 92

[Video report by A. Yakovlev from Riga; from the "Vesti" newscast]

[Text] Another picket has formed in front of the Republic of Latvia's procuracy headquarters. The demonstrators are demanding freedom for Alfred Rubiks, former first secretary of the Latvian Communist Party, and other political prisoners. They have also been protesting the expulsion from parliament of fifteen opposition deputies, calling the

current policy of the Supreme Council a policy of apartheid, and they are demanding that all permanent residents of Latvia be offered citizenship.

The Latvian procurator general has been handed a letter signed by several thousand people regarding this. The demonstrators have stated that if their demands are not heeded they will appeal to the United Nations and international human rights organizations.

Latvia

Latvian Ruble Introduced as National Currency

PM2307140192 Moscow Russian Television Network
in Russian 1900 GMT 20 Jul 92

[From the "Vesti" newscast: Video report by A. Yakovlev and V. Gorobets, from Riga]

[Text] [Yakovlev] As of today, the Russian ruble is a foreign currency in Latvia. The only official currency on the republic's territory is the Latvian ruble, popularly known as the Repsik, taking its name from Repse, president of the Bank of Latvia, whose signature features on the temporary Latvian banknotes. They can be freely exchanged in banks for Russian money at a rate of one to one. Experts believe that for the time being the Latvian ruble will be more highly valued on the internal market, while among businessmen it will be the Russian ruble which will be more highly valued. This makes it impossible for the time being to forecast the actual correlation between the two currencies. Some 80 percent of private companies in the republic and virtually all the Latvian enterprises are geared primarily to the ruble area. Therefore, the principles governing the mutual settling of accounts are of great importance to them.

Godmanis Returns, Evaluates Moscow Talks

LD2407095492 Riga Radio Network in Latvian
1300 GMT 23 Jul 92

[Report by LETA agency correspondent Olafs Zvejnieks]

[Text] An agreement has been reached in Moscow that the introduction of the Latvian ruble will not hamper the economic contacts and mutual settlement of accounts between Latvia and Russia, Ivars Godmanis said immediately after returning from the talks between the heads of the Latvian and Russian governments in Moscow.

In future, accounts will be settled on the basis of the market rate of the Latvian and Russian rubles. After appropriate agreements between the banks, the central banks of both states will regularly review this rate.

The agreement reached applies also to the Russian troops stationed in Latvia. They will also have to exchange their Russian rubles for Latvian rubles, in accordance with the market rate. No special privileges are envisaged for the Russian Army.

During the talks, in the opinion of the head of the Latvian Government, it was agreed that the money reform in Latvia is a logical and justified step. This was also the view of the representatives of the Russian Government, and no kind of objections were heard on their part.

In turn, Einars Repse, president of the Bank of Latvia, announced that an agreement has been reached within the framework of the states of the ruble zone to allow commercial banks to open corresponding accounts. When this has been done, the state bank will be able to leave mutual settlement of accounts entirely in the hands of the commercial banks.

At the talks, the heads of governments also paid a great deal of attention to the question of the property of the former USSR. The Russian side thinks this question is still open and hopes that Latvia will change its mind. However, Ivars Godmanis announced that Latvia will stick to its previously expressed position that everything situated on Latvian territory belongs to Latvia. In this context, Latvia announced that it does and will not recognize claims by various commercial structures to army property and premises. The Russian side's support for this stance was obtained at the talks.

Ivars Godmanis said agreement was reached to allow four Latvian tankers to deliver fuel to the northern regions of Russia. In exchange, Russia has undertaken to supply Latvia with fuel.

Lithuania

New Government Appointments Noted

LD2307172392

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 1000 GMT on 23 July begins a live relay of proceedings at the Supreme Council session in Vilnius. At 1020 GMT, Prime Minister Aleksandras Abisala presents the names of candidates for the new cabinet to the plenary session. He then asks the deputies to vote for the full list of candidates and not take a vote on each of them individually.

Abisala states: "To the post of deputy prime minister of the Republic of Lithuania, our colleague, Bronislovas Lubys. To the posts of ministers:

"Minister of Economy: Albertas Simenas
Minister of Power Engineering: Leonas Vaidotas Asmantas
Minister of National Defense: Audrius Butkevicius
Minister of Culture and Education: Darius Kuolys
Minister without portfolio: Leonas Kadziulis
Minister Without portfolio: Stasys Kropas
Minister of Forestry: Jonas Rimantas Klimas
Minister of Communications and Information: Gintautas Zindelis
Minister of Construction and Urbanization: Algimantas Nasvytis

Minister of Transport: Jonas Birziskis
Minister of Health: Juozas Oleka
Minister of International Economic Relations: Aytenis Aleskaitis
Minister of Foreign Affairs: Algirdas Saudargas
Minister of the Interior: Petras Valiukas
Minister of Agriculture: Rimvydas Raimondas Survila."

"I also ask you to commission the following to carry out the duties of ministers until the ministers have been approved:

"Reinoldas Sarkinas as finance minister; Vilius Zidonis as trade and material resources minister; Algis Dobrovolskas as social security minister; and Vytautas Pakalnis as justice minister.

"If the Supreme Council decides that the formation of the government should be concluded next week, then I am prepared to ask you to hold a plenary session next Thursday [30 July], and to complete the formation of the government."

Deputy Bronislovas Lubys, of the Liberal faction, was presented to the House for the post of deputy prime minister of the Republic of Lithuania. At 1025 GMT Lubys begins answering deputies' questions. Deputy Prunskiene asks about the area of his responsibility, to which Lubys says that he will be responsible for industry. He is followed at 1055 GMT by Leonas Kadziulis answering deputies' questions. It is decided that only new candidates will be subjected to questioning, and that members of the previous cabinet will not have to answer any questions.

At 1105 GMT reception deteriorates to poor at the time a vote is taken on the entire cabinet. The session chairman is heard to say:

"Esteemed colleagues, with 70 deputies voting in favor, two against, and eight abstentions, the decisions of the Supreme Council of the Republic of Lithuania on the appointment of the deputy prime minister of the Republic of Lithuania and the appointments of the ministers have been adopted. I congratulate the new government and the prime minister, Aleksandras Abisala."

The relay ends at 1110 GMT.

Further on Russian Supreme Soviet Resolution

OW2307150592 Moscow BALTFAX in English
1405 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] The Lithuanian Presidium of the Supreme Council at its Wednesday [23 July] session adopted a statement "Re Rights of Russian-Speaking Population in Lithuania, Documents and Debates of Supreme Council of Russian Federation [RF]".

The Presidium of Lithuania's Supreme Council have expressed regret and concern over the RF Resolutions of July 17. The Lithuanian Presidium statement notes that in accusing the Baltic countries of human rights violations, Russia seems to be "oblivious of the unlawful presence of its own troops on the territories of Lithuania, Latvia and Estonia without any agreements with these countries in this regard". In the meantime, the laws of citizenship and national minorities adopted by the Lithuanian Republic "have been approved on the international level", the statement reads.

The members of the Presidium of the Lithuanian parliament believe that the intent of these allegations is to divert the attention of the world community from the problem of the Russian troops withdrawal from the Baltic republics.

"The other document of the RF Supreme Council, dated July 17, 1992, "Re Human Rights in Estonia" stands out as an example of unabashed pressure by a large state with respect to a small neighboring state", the Lithuanian Presidium of the Supreme Council maintains. In the opinion of the Presidium members, the RF resolutions "won't solve any of the existing problems, but they can certainly aggravate them and create further complications."

Further on Military Meeting With Russia

OW2307213092 Moscow BALTFAX in English
1902 GMT 23 Jul 92

[Transmitted via KYODO]

[Text] A meeting between Russian and Lithuanian military experts closed today in Vilnius. Lithuania's expert group was headed by the deputy Foreign Minister Gediminas Sarknis, and that of Russia, by a Foreign Ministry official, Rudolf Alekseyev.

A protocol on the results of the meeting will be published.

The head of Russia's delegation, Rudolf Alekseyev, said that the two delegations "made a considerable progress", and expressed satisfaction over the work done. The parties made a giant step, discussing principles of the Russian armed forces' withdrawal from Lithuania and conditions of their temporary stay on the territory of the republic.

Rudolf Alekseyev said that some difficulties which had not existed before appeared in the process of the negotiations. Now that Russia became a party to the treaty on the arms reduction in Europe, this access must be discussed as well, for the armed forces withdrawn from the Baltic states should not affect the balance of forces in Europe.

Commenting on the Lithuanian-proposed schedule for the Russian forces withdrawal, Rudolf Alekseyev said it took into account only the capabilities of railways, and,

therefore, was "very idealist". In his opinion, such a rapid withdrawal may cause much harm to both sides. By now, 3,800 Russian servicemen of 35 thousand have already been withdrawn, and 3,200 more will leave the republic till the end of the year.

The head of Lithuania's delegation, Gediminas Sarknis, expressed regret that Russia had failed to present its schedule and the final deadline for the withdrawal. At the same time he said that experts managed to reconcile their positions on the text of the agreement on conventional arms and several items of the general treaty.

Delegation Heads on Progress

LD2407085792 Vilnius Radio Vilnius Network
in Lithuanian 1400 GMT 23 Jul 92

[Italicized passages recorded]

[Text] Negotiations on the withdrawal of the armed forces from the territory of Lithuania were constructive, however, much uncertainty remains. Here is a report by our correspondent Vytautas Mazutaitis:

[Mazutaitis] The coordination of the protocol of the meeting between the expert groups of the state negotiation delegations of the Republic of Lithuania and the Russian Federation, which took place on 20 to 23 July, is nearing completion. What is it? What will it bring to Lithuania? During a short break the leaders of both the expert groups of the state delegations agreed to say a few words to the journalists. Here is Rudolf Alekseyev:

[Alekseyev, speaking in Russian] *From the Russian side, I would like to voice our satisfaction that this time we moved forward significantly the discussion of the main documents on the order of the withdrawal and the conditions of the temporary deployment until the complete withdrawal of the troops of Russia. Of course, a number of problems still remain and certain difficulties arose as well, and, as we say, life introduces its own corrections. Let us say, if earlier we did not have such a problem as international inspections, now, according to international obligations on the carrying out of inspections within the framework on the reduction of army forces in Europe, we are compelled to cope with it.*

The withdrawal has started. At present 3,800 have already been withdrawn, another 3,200 servicemen will be withdrawn by the end of the year. Thus, from 35,000 servicemen at present, by the end of the year less than 30,000 will remain. The withdrawal continues and we, of course, are interested in seeing that it takes place in an organized manner, that troops being withdrawn are deployed in tolerable conditions.

Lithuanian Deputy Minister of Foreign Affairs Gediminas Serksnys is at the microphone:

[Serksnys] *This time, too, the Russian delegation was unable to supply basic data on which the documents under preparation are depending; that is, they were unable to submit the final date of the withdrawal. We earlier*

submitted, a month ago, the schedule of the withdrawal, but we did not receive a reply from the Russian side. The atmosphere was really constructive, benevolent, and, if we have time and opportunities, we will be able to meet once again and continue our work.

Direct Rule in Polish-Populated Regions Extended

*LD2407105292 Moscow ITAR-TASS in English
1634 GMT 23 Jul 92*

[By ITAR-TASS correspondent Kazis Uscila]

[Text] Vilnius July 23 TASS—The Lithuanian Parliament adopted a decision on Thursday [23 July] to hold elections in Lithuanian regions, mostly populated by Poles, on November, 22, 1992.

The governing bodies of these regions were disbanded last September by the Lithuanian Parliament and Government for a six months period on the pretext of their "unconstitutional activities", and direct rule was introduced.

Later, the direct rule was extended for the same term.

Deputy Chairman of the Lithuanian Government Ceslovas Stankevicius argued on Thursday that "elections are impossible until unconstitutional activities are stopped."

Lithuanian Parliamentary Speaker Vytautas Landsbergis also called to postpone elections till the end of the year.

Following the parliament's decision, the direct rule in these regions was once more extended until "the governing bodies of the elected soviets" are formed.

However, now that the date for the elections is set, it does not mean that the Polish question is solved. On Thursday, the Lithuanian Parliament voted to put on the agenda an inquest into the activity of deputies, members of the Polish Faction, involving the Prosecutor's Office.

Bank Board of Directors Will Not Resign

*OW2307150792 Moscow BALTFAX in English
1405 GMT 23 Jul 92*

[Transmitted via KYODO]

[Text] The board of directors of the Bank of Lithuania are not going to resign, said the Bank's chairman Vilius Baldisis at a press conference in Vilnius.

Following his appointment, the republic's new premier, Aleksandras Abisala, demanded that the parliament approve Mr Baldisis' replacement in the office of the Bank's chairman.

As regards, a monetary reform of Lithuania, Mr Baldisis does not want to expedite the issue of the republic's national currency - the Litas. "Even though the Litas should have been introduced yesterday, the present day

situation requires of us special forethought," the Lithuanian Bank's chairman remarked.

In the words of the other Bank's directors, Lithuania should rather adhere to the Latvian variant, averring that it is more appropriate for the country to rely on certificate rubles at its transitional period.

Mr Baldisis asserts that the certificate rubles will provide favorable conditions for the national currency to mature. Besides, the Lithuanians have already grown accustomed to the general coupons which were largely playing the role of the certificate rubles. The chairman of the board of directors of the Bank of Lithuania said that "in its populist pursuits" Lithuania, certainly, could go ahead with the monetary reform, whereas the latter, in turn, would only further aggravate the country's economic crisis.

The Bank's of Lithuania directors stressed that their colleagues in Estonia had already had to admit that the Kroon there was introduced too precipitously. "They issued the Kroons into circulation without even backing it by a reliable accounting mechanism with international partners, not even by agreements with the CIS countries which are indispensable in situations like that", they emphasized. Hence the result, "the prices are soaring, the living standards plummeting, normal trade waning".

The Bank's of Lithuania directors believe that the way out from the country's critical situation lies through an effective economic reform as well as through the mutual accounting agreements with Russia and other CIS countries.

The journalists were shown the Litas notes' samples with the denomination of 10, 20, 50, 100, 500 and 1000 Litas, each banknote bearing the signature of the Bank's chairman Mr Baldisis.

Customs Duties To Be Imposed on More Exports

*LD2407110892 Vilnius Radio Vilnius International
Service in Lithuanian 0100 GMT 23 Jul 92*

[Text] The sale of some products may be limited in Lithuania shortly. At a government meeting today, a proposal was made to sell flour, groats, and macaroni by using coupons.

After the Joniskis grain processing enterprise was shut down for overhaul, all three macaroni-producing enterprises in Lithuania had to stop production. Trading enterprises in Lithuania are being supplied with very small quantities of flour and groats.

At present, only the sale of flour and salt are rationed in Lithuania.

It was also decided at the government meeting to implement customs duties on mushrooms, berries, and medicinal herbs exported from Lithuania. As is known, these products are being transported in large quantities from Lithuania to the West, where their purchasing price is several times higher than in Lithuania.